



Madison Gas and Electric Company
P.O. Box 1231
Madison, WI 53701-1231
608-252-7000

Public Service Commission of Wisconsin
RECEIVED: 04/14/05, 1:51:25 PM

Terry A. Hanson
Vice President, Chief Financial Officer
and Secretary
608-252-7075

your community energy company

April 14, 2005

Via Electronic Regulatory Filing

Public Service Commission of Wisconsin
Post Office Box 7854
Madison, Wisconsin 53707-7854

Subject: MGE's 2004 Private Utility Annual Report

In accordance with provisions of the Wisconsin Administrative Code, Chapter PSC 196.07, attached is Madison Gas and Electric Company's 2004 annual report to the Public Service Commission of Wisconsin for the year ended December 31, 2004.

Sincerely,

A handwritten signature in black ink that reads "Terry A. Hanson". The signature is written in a cursive, flowing style.

Vice President,
Chief Financial Officer and Secretary

ms

Attachment

**PRIVATE UTILITY
ANNUAL REPORT**

OF

Name: Madison Gas and Electric Company

Principal Office: 133 South Blair Street
Post Office Box 1231
Madison, Wisconsin 53701-1231

For the Year Ended: December 31, 2004

ELECTRIC, WATER, OR GAS UTILITY

TO

PUBLIC SERVICE COMMISSION OF WISCONSIN

**P.O. Box 7854
Madison, WI 53707-7854
(608) 266-3766**

This form is required under Wis. Stat. §196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

General Rules For Reporting

1. Prepare the report in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin.
2. The original copy filed with the Commission must be typed with a black ribbon on the original forms supplied by the Commission unless other forms have been preapproved.
3. Numeric items may contain digits (0-9), a decimal point, and a minus sign "-". Parentheses may also be used to indicate negative values.
4. The annual report should be complete in itself in all particulars. Reference to returns of former years or to other reports should not be made to take the place of required entries except as otherwise specifically authorized.
5. Where information called for herein is not given, state fully the reason for its omission. If the answer to any query is "none" or if any of the schedules are not applicable to the reporting utility, the word "none" should be filled in the space provided for answer or the words "not applicable" should be written across space on the schedules for amounts.
6. If more than one page is required to complete a schedule, type "1" after "Copy" on the top of the first page. Type consecutive numbers, beginning with "2", after "Copy" on the following identical pages.
7. Do not modify account titles. If it is necessary or desirable, insert additional statements for the purpose of further explanation of schedules. Each insert sheet should bear the title of the schedule to which it pertains.
8. Wherever schedules call for data from the previous year, the data reported must be based upon those shown by the annual report of the previous year or an appropriate explanation given why different data were used.
9. Where part or all of the report is prepared by other than utility personnel, a disclosure should be included in the notes to the income statements or the balance sheet which describes the nature and extent of work performed.
10. The four digit ID number at the top of the page must be typed along with the year of the report and the copy number. Contact the Commission, if you don't know your ID number.

INSTRUCTIONS FOR FILING FERC FORMS 1, 1-F and 3-Q

GENERAL INFORMATION

I. Purpose

Form 1 is an annual regulatory support requirement under 18 CFR 141.1 for Major public utilities, licensees and others. Form 1-F is an annual regulatory support requirement under 18 CFR 141.2 for Nonmajor public utilities, licensees and others. Form 3-Q is a quarterly regulatory support requirement which supplements Forms 1 and 1-F under 18 CFR 141.400. The reports are designed to collect financial and operational information from major and nonmajor electric utilities, licensees and others subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be a non-confidential public use forms.

II. Who Must Submit

Each Major electric utility, licensee, or other, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject To the Provisions of The Federal Power Act (18 CFR 101), must submit Form 1 as prescribed in 18 CFR Part 141.1. Each Nonmajor electric utility, licensee or other must submit Form 1-F as prescribed in 18 CFR Part 141.2. Each Major and Nonmajor electric utility licensee or other, must submit Form 3-Q as prescribed in 18 CFR Part 141.400.

Note: Major means having, in each of the three previous calendar years, sales or transmission service that exceeds one of the following:

- (1) one million megawatt hours of total annual sales,
- (2) 100 megawatt hours of annual sales for resale,
- (3) 500 megawatt hours of annual power exchanges delivered, or
- (4) 500 megawatt hours of annual wheeling for others (deliveries plus Losses).

Nonmajor means having in each of the three previous calendar years, total annual sales of 10,000 megawatt hours or more

III. What and Where to Submit

- (a) Submit Forms 1, 1-F and 3-Q electronically through the Form 1/3-Q Submission Software. Retain one copy of each report for your files.
- (b) Respondents may submit the Corporate Officer Certification electronically, or file/mail an original signed Corporate Officer Certification to:

Chief Accountant
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

(c) Submit, immediately upon publication, four (4) copies of the latest annual report to stockholders and any annual financial or statistical report regularly prepared and distributed to bondholders, security analysts, or industry associations. (Do not include monthly and quarterly reports. Indicate by checking the appropriate box on Form 1, Page 4, List of Schedules, if the reports to stockholders will be submitted or if no annual report to stockholders is prepared.) Mail these reports to the address in III(c) above.

(d) For the Annual CPA certification, submit with the original submission, or within 30 days after the filing date for Form 1, a letter or report (not applicable to respondents classified as Class C or Class D prior to January 1, 1984):

(i) Attesting to the conformity, in all material aspects, of the below listed (schedules and) pages with the Commission's applicable Uniform Systems of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and

(ii) be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 CFR 158.10-158.12 for specific qualifications.)

Reference	Reference Schedules Pages
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Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

Insert the letter or report immediately following the cover sheet. When submitting after the filing date for this form, send the letter or report to the address indicated at III (b). Use the following form for the letter or report unless unusual circumstances or conditions, explained in the Letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

GENERAL INFORMATION (continued)

In connection with our regular examination of the financial statements of _____ for the year ended on which we have reported separately under date of _____ We have also reviewed schedules _____ of FERC Form No. 1 for the year filed with the Federal Energy Regulatory Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph _____ (except as noted below) conform in all material respects with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

State in the letter or report, which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist _____

(d) Federal, State and Local Governments and other authorized users may obtain additional blank copies to meet their requirements free of charge from: Public Reference and Files Maintenance Branch Federal Energy Regulatory Commission 888 First Street, NE, Room 2A ED-12.2 Washington, DC 20426 (202) 502-8371

IV. When to Submit:

Submit Form 1 according to the filing dates contained in section 18 CFR 141.1 of the Commission's regulations. Submit Form 1-F according to the filing dates contained in section 18 CFR 141.2 of the Commission's regulations. Submit Form 3-Q according to the filing dates contained in section 18 CFR 141.400 of the Commission's regulations.

V. Where to Send Comments on Public Reporting Burden.

The public reporting burden for the Form 1 collection of information is estimated to average 1,144 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. public reporting burden for the Form 1-F collection of information is estimated to average 112 hours per response. The public reporting burden for the Form 3-Q collection of information is estimated to average 150 hours per response. Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Mr. Michael Miller, ED-30); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. 3512 (a)).

GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR 101) (U.S. of A.). Interpret all accounting words and phrases in accordance with the U. S. of A.
- II. Enter in whole numbers (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.
- V. Enter the month, day, and year for all dates. Use customary abbreviations. The "Date of Report" included in the header of each page is to be completed only for resubmissions (see VII. below).
- VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.
- VII. For any resubmissions, submit the electronic filing using the Form 1/3-Q software and send a letter identifying which pages in the form have been revised. Send the letter to the Office of the Secretary.
- VIII. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.
- IX. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.

Definitions for statistical classifications used for completing schedules for transmission system reporting are as follows:

- FNS - Firm Network Transmission Service for Self. "Firm" means service that can not be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff. "Self" means the respondent.
- FNO - Firm Network Service for Others. "Firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff.
- LFP - for Long-Term Firm Point-to-Point Transmission Reservations. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Point-to-Point Transmission Reservations" are described in Order No. 888 and the Open Access Transmission Tariff. For all transactions identified as LFP, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally cancel the contract.
- OLF - Other Long-Term Firm Transmission Service. Report service provided under contracts which do not conform to the terms of the Open Access Transmission Tariff. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as OLF, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally get out of the contract.
- SFP - Short-Term Firm Point-to-Point Transmission Reservations. Use this classification for all firm point-to-point transmission reservations, where the duration of each period of reservation is less than one-year.
- NF - Non-Firm Transmission Service, where firm means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions.
- OS - Other Transmission Service. Use this classification only for those services which can not be placed in the above-mentioned classifications, such as all other service regardless of the length of the contract and service form. Describe the type of service in a footnote for each entry.
- AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment.

DEFINITIONS

- I. Commission Authorization (Comm. Auth.) – The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization
- II. Respondent – The person, corporation, licensee, agency, authority, or other Legal entity or instrumentality in whose behalf the report is made.

Federal Power Act, 16 U.S.C. 791a-825r

Sec. 3. The words defined in this section shall have the following meanings for purposes of this Act, to wit: ... (3) 'corporation' means any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, or a receiver or receivers, trustee or trustees of any of the foregoing. It shall not include 'municipalities, as hereinafter defined;

(4) 'Person' means an individual or a corporation;

(5) 'Licensee, means any person, State, or municipality Licensed under the provisions of section 4 of this Act, and any assignee or successor in interest thereof;

(7) 'municipality means a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the Laws thereof to carry on the business of developing, transmitting, utilizing, or distributing power;

(11) "project" means, a complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or forebay reservoirs directly connected therewith, the primary line or Lines transmitting power therefrom to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights-of-way, ditches, dams, reservoirs, Lands, or interest in Lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit;

"Sec. 4. The Commission is hereby authorized and empowered

(a) To make investigations and to collect and record data concerning the utilization of the water resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development -costs, and relation to markets of power sites; ... to the extent the Commission may deem necessary or useful for the purposes of this Act."

"Sec. 304. (a) Every Licensee and every public utility shall file with the Commission such annual and other periodic or special* reports as the Commission may by rules and regulations or other prescribe as necessary or appropriate to assist the Commission in the proper administration of this Act. The Commission may prescribe the manner and form in which such reports shall be made, and require from such persons specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and Liabilities, capitalization, net investment, and reduction thereof, gross receipts, interest due and paid, depreciation, and other reserves, cost of project and other facilities, cost of maintenance and operation of the project and other facilities, cost of renewals and replacement of the project works and other facilities, depreciation, generation, transmission, distribution, delivery, use, and sale of electric energy. The Commission may require any such person to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies".¹⁰

"Sec. 309. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, and rescind such orders, rules and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this Act; and may prescribe the *form or forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be filed..."

GENERAL PENALTIES

"Sec. 315. (a) Any licensee or public utility which willfully fails, within the time prescribed by the Commission, to comply with any order of the Commission, to file any report required under this Act or any rule or regulation of the Commission thereunder, to submit any information or document required by the Commission in the course of an investigation conducted under this Act shall forfeit to the United States an amount not exceeding \$1,000 to be fixed by the Commission after notice and opportunity for hearing "


**FERC FORM NO. 1/3-Q:
REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER**

IDENTIFICATION		
01 Exact Legal Name of Respondent Madison Gas and Electric Company		02 Year/Period of Report End of <u>2004/Q4</u>
03 Previous Name and Date of Change (if name changed during year) / /		
04 Address of Principal Office at End of Period (Street, City, State, Zip Code) 133 South Blair Street, Madison, Wisconsin 53703		
05 Name of Contact Person Terry A. Hanson		06 Title of Contact Person Vice Pres., CFO & Secretary
07 Address of Contact Person (Street, City, State, Zip Code) Same as above		
08 Telephone of Contact Person, Including Area Code (608) 252-7075	09 This Report Is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr) / /

ANNUAL CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

01 Name	03 Signature 	04 Date Signed (Mo, Da, Yr) / / <u>4/5/05</u>
02 Title Vice Pres., CFO & Secretary		

Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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LIST OF SCHEDULES (Electric Utility)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
1	General Information	101	
2	Control Over Respondent	102	
3	Corporations Controlled by Respondent	103	None
4	Officers	104	
5	Directors	105	
6	Important Changes During the Year	108-109	
7	Comparative Balance Sheet	110-113	
8	Statement of Income for the Year	114-117	
9	Statement of Retained Earnings for the Year	118-119	
10	Statement of Cash Flows	120-121	
11	Notes to Financial Statements	122-123	
12	Statement of Accum Comp Income, Comp Income, and Hedging Activities	122(a)(b)	
13	Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep	200-201	
14	Nuclear Fuel Materials	202-203	None
15	Electric Plant in Service	204-207	
16	Electric Plant Leased to Others	213	None
17	Electric Plant Held for Future Use	214	
18	Construction Work in Progress-Electric	216	
19	Accumulated Provision for Depreciation of Electric Utility Plant	219	
20	Investment of Subsidiary Companies	224-225	None
21	Materials and Supplies	227	
22	Allowances	228-229	
23	Extraordinary Property Losses	230	None
24	Unrecovered Plant and Regulatory Study Costs	230	None
25	Other Regulatory Assets	232	
26	Miscellaneous Deferred Debits	233	
27	Accumulated Deferred Income Taxes	234	
28	Capital Stock	250-251	
29	Other Paid-in Capital	253	
30	Capital Stock Expense	254	None
31	Long-Term Debit	256-257	
32	Reconciliation of Reported Net Income with Taxable Inc for Fed Inc Tax	261	
33	Taxes Accrued, Prepaid and Charged During the Year	262-263	
34	Accumulated Deferred Investment Tax Credits	266-267	
35	Other Deferred Credits	269	
36	Accumulated Deferred Income Taxes-Accelerated Amortization Property	272-273	None

Name of Respondent Madison Gas and Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
LIST OF SCHEDULES (Electric Utility) (continued)				
Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".				
Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)	
37	Accumulated Deferred Income Taxes-Other Property	274-275		
38	Accumulated Deferred Income Taxes-Other	276-277		
39	Other Regulatory Liabilities	278		
40	Electric Operating Revenues	300-301		
41	Sales of Electricity by Rate Schedules	304		
42	Sales for Resale	310-311		
43	Electric Operation and Maintenance Expenses	320-323		
44	Purchased Power	326-327		
45	Transmission of Electricity for Others	328-330		
46	Transmission of Electricity by Others	332		
47	Miscellaneous General Expenses-Electric	335		
48	Depreciation and Amortization of Electric Plant	336-337		
49	Regulatory Commission Expenses	350-351		
50	Research, Development and Demonstration Activities	352-353		
51	Distribution of Salaries and Wages	354-355		
52	Common Utility Plant and Expenses	356		
53	Monthly Transmission System Peak Load	400		
54	Electric Energy Account	401		
55	Monthly Peaks and Output	401		
56	Steam Electric Generating Plant Statistics (Large Plants)	402-403	None	
57	Hydroelectric Generating Plant Statistics (Large Plants)	406-407	None	
58	Pumped Storage Generating Plant Statistics (Large Plants)	408-409	None	
59	Generating Plant Statistics (Small Plants)	410-411	None	
60	Transmission Line Statistics	422-423	None	
61	Transmission Lines Added During Year	424-425		
62	Substations	426-427		
	Stockholders' Reports Check appropriate box: <input checked="" type="checkbox"/> Four copies will be submitted <input type="checkbox"/> No annual report to stockholders is prepared			

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2004/Q4</u>
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GENERAL INFORMATION

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

Terry A. Hanson, Vice President, Chief Financial Officer and Secretary
133 South Blair Street, Post Office Box 1231
Madison, Wisconsin 53701-1231

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

Wisconsin - April 8, 1896

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

Property of the respondent was at no time during the year held by a receiver or trustee.

4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.

Madison Gas and Electric Company is engaged in the production, distribution, and sale of electricity and in the purchase, distribution, and sale of natural gas in South Central Wisconsin.

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

- (1) ☐ Yes...Enter the date when such independent accountant was initially engaged:
(2) ☒ No

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2004/Q4</u>
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CONTROL OVER RESPONDENT

1. If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the respondent at the end of the year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.

Madison Gas and Electric Company (MGE) is a wholly owned subsidiary of MGE Energy, Inc. (MGE Energy) ("Holding Company").

Name of Respondent Madison Gas and Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
OFFICERS					
<p>1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.</p> <p>2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.</p>					
Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)		
1	Chairman, President and Chief Executive Officer	Gary J. Wolter	568,956		
2					
3	Vice Chairman	David C. Mebane			
4					
5	Senior Vice President	Lynn K. Hobbie	240,892		
6					
7	Senior Vice President	Mark T. Maranger	254,008		
8					
9	Group Vice President	Thomas R. Krull	123,102		
10					
11	Vice President Administration and				
12	Chief Information Officer	James G. Bidlingmaier	225,428		
13					
14	Vice President and General Counsel	Kristine A. Euclide	241,768		
15					
16	Vice President, Chief Financial Officer and Secretary	Terry A. Hanson	241,124		
17					
18	Vice President - Energy Supply Policy	Scott A. Neitzel	247,496		
19					
20	Vice President and Treasurer	Jeffrey C. Newman	245,460		
21					
22	Vice President - Energy Supply Operations	Peter J. Waldron	223,220		
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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Madison Gas and Electric Company			2004/Q4
FOOTNOTE DATA			

Schedule Page: 104 Line No.: 3 Column: b
Mr. Mebane retired effective May 11, 2004.
Schedule Page: 104 Line No.: 9 Column: b
Mr. Krull retired effective May 31, 2004.

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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DIRECTORS

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.
2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.

Line No.	Name (and Title) of Director (a)	Principal Business Address (b)
1	***Richard E. Blaney	Madison, Wisconsin
2	Retired President	
3	Richard Blaney Seeds Inc.	
4		
5	F. Curtis Hastings	Madison, Wisconsin
6	Chairman	
7	J.H. Findorff & Son, Inc.	
8		
9	Regina M. Millner	Madison, Wisconsin
10	President	
11	RMM Enterprise, Inc.	
12		
13	***Frederic E. Mohs	Madison, Wisconsin
14	Partner	
15	Mohs, MacDonald, Widder & Paradise, Attorneys at Law	
16		
17	John R. Nevin	Madison, Wisconsin
18	Executive Director, Center for Product Management;	
19	Executive Director, Grainger Center for Supply Chain	
20	Mgmt; and Grainger Wisconsin Distinguished Professor,	
21	School of Business, University of Wisconsin - Madison	
22		
23	Donna K. Sollenberger	Madison, Wisconsin
24	President and CEO	
25	University of Wisconsin Hospitals and Clinics	
26		
27	***H. Lee Swanson	Cross Plains, Wisconsin
28	Chairman of the Board	
29	State Bank of Cross Plains; and Chairman of the	
30	Board and President, SBCP Bancorp, Inc.	
31		
32	***Gary J. Wolter	Madison, Wisconsin
33	Chairman of the Board, President, and CEO	
34	Madison Gas and Electric Company	
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Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report / /	Year/Period of Report End of 2004/Q4
IMPORTANT CHANGES DURING THE QUARTER/YEAR			
<p>Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.</p> <p>1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.</p> <p>2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.</p> <p>3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.</p> <p>4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.</p> <p>5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.</p> <p>6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.</p> <p>7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.</p> <p>8. State the estimated annual effect and nature of any important wage scale changes during the year.</p> <p>9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.</p> <p>10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.</p> <p>11. (Reserved.)</p> <p>12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.</p> <p>13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.</p> <p>14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.</p>			
<p>PAGE 108 INTENTIONALLY LEFT BLANK SEE PAGE 109 FOR REQUIRED INFORMATION.</p>			

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Madison Gas and Electric Company		/ /	2004/Q4
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1. Not applicable.
2. None.
3. None.
4. None.
5. None.
6. Docket 3270-SB-123 regarding short-term notes and commercial paper was issued by the PSCW on July 8, 2004. Docket 3270-SB-123 authorized the Company to issue and have outstanding short-term notes and commercial paper up to a maximum amount of \$55 million principal amount and to enter into a long-term syndicated line of credit. Commercial paper was issued from time to time in the fourth quarter of 2004 with a maximum amount of \$40.3 million outstanding at any one time.
7. None.
8. None.
9. None.
10. None.
11. - -
12. - -

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	854,778,330	805,746,463
3	Construction Work in Progress (107)	200-201	127,272,369	88,489,334
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		982,050,699	894,235,797
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	392,287,268	374,952,212
6	Net Utility Plant (Enter Total of line 4 less 5)		589,763,431	519,283,585
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		589,763,431	519,283,585
15	Utility Plant Adjustments (116)	122	0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)		1,271,171	1,294,683
19	(Less) Accum. Prov. for Depr. and Amort. (122)		699,793	692,933
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	0	0
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		35,152,830	29,942,976
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		0	0
29	Special Funds (Non Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (175)		0	0
31	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		35,724,208	30,544,726
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		828,975	368,753
36	Special Deposits (132-134)		1,011,639	839,950
37	Working Fund (135)		5,625	5,625
38	Temporary Cash Investments (136)		0	0
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		36,881,523	32,976,702
41	Other Accounts Receivable (143)		16,174,267	4,066,859
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		2,754,848	2,735,448
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		636,250	-75,961
45	Fuel Stock (151)	227	5,523,233	5,054,095
46	Fuel Stock Expenses Undistributed (152)	227	0	0
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	8,214,531	6,541,375
49	Merchandise (155)	227	218,651	213,142
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	192,026	972,681

Name of Respondent Madison Gas and Electric Company		This Report is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (mo, da, yr) / /	Year/Period of Report end of 2004/Q4
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)					
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)	
1	PROPRIETARY CAPITAL				
2	Common Stock Issued (201)	250-251	17,347,889	17,347,889	
3	Preferred Stock Issued (204)	250-251	0	0	
4	Capital Stock Subscribed (202, 205)	252	0	0	
5	Stock Liability for Conversion (203, 206)	252	0	0	
6	Premium on Capital Stock (207)	252	27,723,819	27,723,819	
7	Other Paid-In Capital (208-211)	253	197,571,086	136,661,475	
8	Installments Received on Capital Stock (212)	252	0	0	
9	(Less) Discount on Capital Stock (213)	254	0	0	
10	(Less) Capital Stock Expense (214)	254	0	0	
11	Retained Earnings (215, 215.1, 216)	118-119	85,501,907	78,475,516	
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0	
13	(Less) Required Capital Stock (217)	250-251	0	0	
14	Noncorporate Proprietorship (Non-major only) (218)		0	0	
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	62,709	-3,389,948	
16	Total Proprietary Capital (lines 2 through 15)		328,207,410	256,818,751	
17	LONG-TERM DEBT				
18	Bonds (221)	256-257	1,200,000	1,200,000	
19	(Less) Required Bonds (222)	256-257	0	0	
20	Advances from Associated Companies (223)	256-257	0	0	
21	Other Long-Term Debt (224)	256-257	202,300,000	222,300,000	
22	Unamortized Premium on Long-Term Debt (225)		0	0	
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		1,242,534	1,296,593	
24	Total Long-Term Debt (lines 18 through 23)		202,257,466	222,203,407	
25	OTHER NONCURRENT LIABILITIES				
26	Obligations Under Capital Leases - Noncurrent (227)		0	0	
27	Accumulated Provision for Property Insurance (228.1)		0	0	
28	Accumulated Provision for Injuries and Damages (228.2)		0	0	
29	Accumulated Provision for Pensions and Benefits (228.3)		0	0	
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0	
31	Accumulated Provision for Rate Refunds (229)		0	0	
32	Long-Term Portion of Derivative Instrument Liabilities		0	0	
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0	
34	Asset Retirement Obligations (230)		1,474,458	1,361,183	
35	Total Other Noncurrent Liabilities (lines 26 through 34)		1,474,458	1,361,183	
36	CURRENT AND ACCRUED LIABILITIES				
37	Notes Payable (231)		40,275,000	15,500,000	
38	Accounts Payable (232)		37,264,040	31,885,749	
39	Notes Payable to Associated Companies (233)		0	0	
40	Accounts Payable to Associated Companies (234)		19,349,999	18,918,087	
41	Customer Deposits (235)		27,049	28,525	
42	Taxes Accrued (236)	262-263	41,900	53,670	
43	Interest Accrued (237)		3,056,641	2,966,676	
44	Dividends Declared (238)		0	0	
45	Matured Long-Term Debt (239)		0	0	

FERC FORM NO. 1 (rev. 12-03)
Page 112

Name of Respondent Madison Gas and Electric Company	This Report is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Rresubmission	Date of Report (mo, da, yr) / /	Year/Period of Report end of 2004/Q4
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		777,107	740,588
48	Miscellaneous Current and Accrued Liabilities (242)		14,929,197	14,832,679
49	Obligations Under Capital Leases-Current (243)		0	0
50	Derivative Instrument Liabilities (244)		0	0
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
52	Derivative Instrument Liabilities - Hedges (245)		0	0
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0
54	Total Current and Accrued Liabilities (lines 37 through 53)		115,720,933	84,925,974
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		2,818,747	2,542,940
57	Accumulated Deferred Investment Tax Credits (255)	266-267	4,388,658	4,891,158
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	44,649,972	32,203,096
60	Other Regulatory Liabilities (254)	278	10,964,634	16,329,439
61	Unamortized Gain on Reaquired Debt (257)		0	0
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	0	0
63	Accum. Deferred Income Taxes-Other Property (282)		79,943,692	75,313,402
64	Accum. Deferred Income Taxes-Other (283)		36,122,151	25,528,693
65	Total Deferred Credits (lines 56 through 64)		178,887,854	156,808,728
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		826,548,121	722,118,043

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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STATEMENT OF INCOME

1. Enter in column (e) operations for the reporting quarter and in column (f) the operations for the same three month period for the prior year.
2. Report in Column (g) year to date amounts for electric utility function; in column (i) the year to date amounts for gas utility, and in (k) the year to date amounts for the other utility function for the current quarter/year.
3. Report in Column (h) year to date amounts for electric utility function; in column (j) the year to date amounts for gas utility, and in (l) the year to date amounts for the other utility function for the previous quarter/year.
4. If additional columns are needed place them in a footnote.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	430,177,787	409,813,456		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	316,916,892	299,307,857		
5	Maintenance Expenses (402)	320-323	15,965,231	15,337,765		
6	Depreciation Expense (403)	336-337	24,752,142	23,344,333		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337				
8	Amort. & Depl. of Utility Plant (404-405)	336-337	164,765			
9	Amort. of Utility Plant Acq. Adj. (406)	336-337				
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)					
13	(Less) Regulatory Credits (407.4)					
14	Taxes Other Than Income Taxes (408.1)	262-263	12,712,694	11,588,623		
15	Income Taxes - Federal (409.1)	262-263	9,165,583	8,420,448		
16	- Other (409.1)	262-263	3,332,458	3,109,815		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	22,520,826	15,245,921		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	15,861,556	7,166,935		
19	Investment Tax Credit Adj. - Net (411.4)	266	-502,500	-515,244		
20	(Less) Gains from Disp. of Utility Plant (411.6)					
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)					
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)					
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		389,166,535	368,672,583		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117, line 27		41,011,252	41,140,873		

Name of Respondent Madison Gas and Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /		Year/Period of Report End of 2004/Q4	
STATEMENT OF INCOME FOR THE YEAR (Continued)							
ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY			
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)	Line No.	
						1	
250,833,567	242,263,690	179,344,220	167,549,766			2	
						3	
165,892,971	161,488,680	151,023,921	137,819,177			4	
13,735,102	13,362,344	2,230,129	1,975,421			5	
17,422,560	16,437,374	7,329,582	6,906,959			6	
						7	
103,250		61,515				8	
						9	
						10	
						11	
						12	
						13	
9,931,247	9,289,894	2,781,447	2,298,729			14	
5,509,233	4,068,962	3,656,350	4,351,486			15	
2,218,635	1,882,055	1,113,823	1,227,760			16	
17,594,527	12,643,468	4,926,299	2,602,453			17	
11,552,550	5,599,321	4,309,006	1,567,614			18	
-337,596	-350,340	-164,904	-164,904			19	
						20	
						21	
						22	
						23	
						24	
220,517,379	213,223,116	168,649,156	155,449,467			25	
30,316,188	29,040,574	10,695,064	12,100,299			26	

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STATEMENT OF INCOME FOR THE YEAR (continued)							
Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)	
			Current Year (c)	Previous Year (d)			
27	Net Utility Operating Income (Carried forward from page 114)		41,011,252	41,140,873			
28	Other Income and Deductions						
29	Other Income						
30	Nonutility Operating Income						
31	Revenues From Merchandising, Jobbing and Contract Work (415)		95,470	93,954			
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		135,905	142,897			
33	Revenues From Nonutility Operations (417)						
34	(Less) Expenses of Nonutility Operations (417.1)			18,607			
35	Nonoperating Rental Income (418)		44,573	45,443			
36	Equity in Earnings of Subsidiary Companies (418.1)	119					
37	Interest and Dividend Income (419)		755,506	443,227			
38	Allowance for Other Funds Used During Construction (419.1)		548,294	514,240			
39	Miscellaneous Nonoperating Income (421)		4,582,736	3,992,549			
40	Gain on Disposition of Property (421.1)		359,207	55,185			
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		6,249,881	4,983,094			
42	Other Income Deductions						
43	Loss on Disposition of Property (421.2)			1,605			
44	Miscellaneous Amortization (425)	340					
45	Donations (426.1)	340	2,198,135	2,871,838			
46	Life Insurance (426.2)		71,406	104			
47	Penalties (426.3)		200				
48	Exp. for Certain Civic, Political & Related Activities (426.4)		119,680	133,003			
49	Other Deductions (426.5)		142,472	252,058			
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		2,531,893	3,258,608			
51	Taxes Applicable to Other Income and Deductions						
52	Taxes Other Than Income Taxes (408.2)	262-263	44,598	60,457			
53	Income Taxes-Federal (409.2)	262-263	-1,119,923	326,947			
54	Income Taxes-Other (409.2)	262-263	-185,391	80,127			
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	3,691,882	1,240,356			
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	1,520,203	1,184,520			
57	Investment Tax Credit Adj.-Net (411.5)						
58	(Less) Investment Tax Credits (420)						
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		910,963	523,367			
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		2,807,025	1,201,119			
61	Interest Charges						
62	Interest on Long-Term Debt (427)		11,062,336	11,557,513			
63	Amort. of Debt Disc. and Expense (428)		516,885	484,455			
64	Amortization of Loss on Reacquired Debt (428.1)						
65	(Less) Amort. of Premium on Debt-Credit (429)						
66	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)						
67	Interest on Debt to Assoc. Companies (430)	340					
68	Other Interest Expense (431)	340	272,374	200,961			
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		217,480	229,528			
70	Net Interest Charges (Total of lines 62 thru 69)		11,634,115	12,013,401			
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		32,184,162	30,328,591			
72	Extraordinary Items						
73	Extraordinary Income (434)						
74	(Less) Extraordinary Deductions (435)						
75	Net Extraordinary Items (Total of line 73 less line 74)						
76	Income Taxes-Federal and Other (409.3)	262-263					
77	Extraordinary Items After Taxes (line 75 less line 76)						
78	Net Income (Total of line 71 and 77)		32,184,162	30,328,591			

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Madison Gas and Electric Company			2004/Q4
FOOTNOTE DATA			

Schedule Page: 114 Line No.: 78 Column: c

Current Year

Earnings per Share of Common Stock (basic and diluted): \$1.86

Schedule Page: 114 Line No.: 78 Column: d

Previous Year

Earnings per Share of Common Stock (basic and diluted): \$1.75

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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STATEMENT OF RETAINED EARNINGS

- Do not report Lines 49-53 on the quarterly version.
- Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
- Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
- State the purpose and amount of each reservation or appropriation of retained earnings.
- List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
- Show dividends for each class and series of capital stock.
- Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
- Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
- If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		78,475,863	77,831,722
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4				
5				
6				
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10				
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		32,184,162	30,328,591
17	Appropriations of Retained Earnings (Acct. 436)			
18				
19				
20				
21				
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
24				
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			
31	Cash Dividends Paid to Parent	238	-25,158,118	(29,684,450)
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-25,158,118	(29,684,450)
37	Transfers from Acct 216.1, Unappropri. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		85,501,907	78,475,863
	APPROPRIATED RETAINED EARNINGS (Account 215)			

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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STATEMENT OF CASH FLOWS

(1) Codes to be used: (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.

(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.

(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.

(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 78(c) on page 117)	32,184,509	30,328,591
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	24,916,907	23,344,333
5	Amortization of debt issuance costs and bond discount	516,885	484,456
6	Dividend income from ATC	3,055,000	2,639,450
7	Prepayment to ATC		5,000,000
8	Deferred Income Taxes (Net)	8,831,000	8,135,000
9	Investment Tax Credit Adjustment (Net)	-502,500	-515,244
10	Net (Increase) Decrease in Receivables	-14,148,906	1,856,302
11	Net (Increase) Decrease in Inventory	-5,619,126	-5,076,897
12	Net (Increase) Decrease in Allowances Inventory	780,655	-119,098
13	Net Increase (Decrease) in Payables and Accrued Expenses	5,373,005	6,475,882
14	Net (Increase) Decrease in Other Regulatory Assets	1,728,297	-2,243,650
15	Net Increase (Decrease) in Other Regulatory Liabilities	-4,058,193	790,202
16	(Less) Allowance for Other Funds Used During Construction	548,000	514,240
17	(Less) Undistributed Earnings from Subsidiary Companies	4,236,000	3,686,992
18	Other (provide details in footnote):	7,083,311	12,984,107
19	Net (Increase) decrease in prepayments	-2,294,581	-4,117,531
20	Net (Increase) decrease in unbilled revenues	-3,236,034	-3,105,022
21	Special billings - ATC	10,656,759	
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	60,482,988	72,659,649
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-95,775,000	-43,755,625
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction	217,480	229,528
31	Other (provide details in footnote):	834,312	
32			
33	Advance to ATC - related to WCCF	-2,308,003	-9,222,329
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-97,466,171	-53,207,482
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)		
38	ATC capital contribution	-3,475,000	-129,105
39	Investments in and Advances to Assoc. and Subsidiary Companies		
40	Contributions and Advances from Assoc. and Subsidiary Companies		
41	Disposition of Investments In (and Advances to)		
42	Associated and Subsidiary Companies		
43			
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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STATEMENT OF CASH FLOWS

(1) Codes to be used: (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.

(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.

(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.

(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
46	Loans Made or Purchased		
47	Collections on Loans		
48			
49	Net (Increase) Decrease in Receivables		
50	Net (Increase) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Other (provide details in footnote):		-304,660
54			
55			
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	-100,941,171	-53,641,247
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)		20,000,000
62	Preferred Stock		
63	Common Stock		
64	Other (provide details in footnote):		
65			
66	Net Increase in Short-Term Debt (c)	24,775,000	2,000,000
67	Other (provide details in footnote):	391,912	124,941
68	Equity contribution from parent	20,531,905	19,606,336
69	Equity contribution received by MGE Power West Campus	40,377,706	
70	Cash Provided by Outside Sources (Total 61 thru 69)	86,076,523	41,731,277
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)	-20,000,000	-20,000,000
74	Preferred Stock		
75	Common Stock		
76	Other (provide details in footnote):		-416,164
77	Affiliate financing of WCCF		-10,541,521
78	Net Decrease in Short-Term Debt (c)		
79	Dividends paid to parent	-25,158,118	-29,684,450
80	Dividends on Preferred Stock		
81	Dividends on Common Stock		
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	40,918,405	-18,910,858
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	460,222	107,544
87			
88	Cash and Cash Equivalents at Beginning of Period	368,753	261,209
89			
90	Cash and Cash Equivalents at End of period	828,975	368,753

Name of Respondent Madison Gas and Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2004/Q4
FOOTNOTE DATA			

Schedule Page: 120 Line No.: 18 Column: b

Impairment of preliminary survey	\$ 552,000
Other	979,500
Equity earnings other investments	(350,890)
Gain on sale of property	(359,207)
Asset retirement obligation	113,275
Customer deposits	(1,476)
Other current liabilities	37,518
Other noncurrent items, net	6,112,591
	<u>\$7,083,311</u>

Schedule Page: 120 Line No.: 18 Column:

Working Capital Other Than Cash	<u>\$12,984,107</u>
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Schedule Page: 120 Line No.: 31 Column: b

Proceeds from sale of PPE	\$979,962
Other	(145,650)
	<u>\$834,312</u>

Schedule Page: 120 Line No.: 53 Column:

Other	<u>\$ (304,660)</u>
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Schedule Page: 120 Line No.: 67 Column: b

Affiliate financing for WCCF	\$431,912
Other	(40,000)
	<u>\$391,912</u>

Schedule Page: 120 Line No.: 67 Column:

Other	<u>\$124,941</u>
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Schedule Page: 120 Line No.: 76 Column:

Financing Costs	<u>\$ (416,164)</u>
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Madison Gas and Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	11	End of 2004/Q4

STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

1. Report in columns (b),(c),(d) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.
2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.
3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.

[illegible]

[illegible]

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report / /	Year/Period of Report End of 2004/Q4
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NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

PAGE 122 INTENTIONALLY LEFT BLANK
SEE PAGE 123 FOR REQUIRED INFORMATION.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Madison Gas and Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2004/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

1. Summary of Significant Accounting Policies

a. General

MGE, a wholly owned subsidiary of MGE Energy, is a regulated electric and gas utility headquartered in Madison, Wisconsin. Other wholly owned subsidiaries of MGE Energy include CWDC, MAGAEL, MGE Construct, and MGE Power. MGE Power owns 100% of MGE Power West Campus. These subsidiaries are part of our nonregulated energy operations, which were formed to construct and own new electric generation projects.

This report is a combined report of MGE and MGE Power West Campus.

These financial statements were prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission (FERC) as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In addition, since the special purpose of these financial statements is to comply with the FERC Form No. 1 reporting requirements, they do not include the disclosures relating to:

- The current portion of long-term debt,
- Segment information,
- Quarterly financial information

FERC Final Rule 631 relating to SFAS No. 143 does not require reclassification of Non-SFAS No. 143 obligations. If such reclassifications were recognized according to generally accepted accounting principles, accumulated depreciation would decrease \$17.7 million and regulatory liabilities would increase \$17.7 million for the year ended December 31, 2004.

FERC accounting does not require netting of deferred tax assets and liabilities on the balance sheet. If this report was prepared according to generally accepted accounting principles, deferred tax assets would decrease \$26.2 million and deferred tax liabilities would decrease \$26.2 million for the year ended December 31, 2004.

b. Principles of Consolidation

The consolidated financial statements reflect the application of certain accounting policies described in this note. All significant intercompany accounts and transactions have been eliminated in consolidation.

c. Use of Estimates

In order to prepare consolidated financial statements in conformity with generally accepted accounting principles, management must make estimates and assumptions. These estimates could affect reported amounts of assets, liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from management's estimates.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Madison Gas and Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2004/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

d. Cash Equivalents

MGE considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

e. Restricted Cash

MGE has some cash accounts that are restricted to uses other than current operations and designated for a specific purpose. MGE's restricted cash accounts relate to cash held by trustee for certain employee benefits.

f. Trade Receivables, Allowance for Doubtful Accounts, and Concentration Risk

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. However, a 1% late payment charge is recorded on all receivables unpaid after the due date. The allowance for doubtful accounts associated with these receivables represents our best estimate of the amount of probable credit losses in our existing accounts receivable. We determine our allowance for doubtful accounts based on historical write-off experience, regional economic data, and review of the accounts receivable aging.

MGE is obligated to provide service to all electric and gas customers within its respective franchised territories. MGE's franchised electric territory includes a 250-square-mile area in Dane County, Wisconsin, and MGE's franchised gas territory includes a service area covering 1,375 square miles in Wisconsin. MGE manages this concentration and the related credit risk through its credit and collection policies, which are consistent with state regulatory requirements.

g. Other Receivables

MGE has advanced funds for construction of transmission equipment and work done by ATC related to WCCF. At December 31, 2004, MGE had a \$13.0 million receivable from ATC which represents the advanced funds (\$12.8 million), plus interest charged on the advanced funds (\$0.2 million). MGE expects repayment of these amounts in the second quarter of 2005.

h. Inventories

Inventories consist of natural gas in storage, fossil fuels, and materials and supplies. MGE values all natural gas in storage, fossil fuels, and materials and supplies using average cost.

i. Regulatory Assets and Liabilities

Pursuant to SFAS No. 71, *Accounting for the Effects of Certain Types of Regulation*, MGE capitalizes as regulatory assets incurred costs that are expected to be recovered in future electric and natural gas rates. MGE also records as regulatory liabilities obligations to customers to refund previously collected revenue or to spend revenue collected from customers on future costs.

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Madison Gas and Electric Company		/ /	2004/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Electric industry restructuring could affect MGE's ability to continue establishing certain regulatory asset and liability amounts now allowed under SFAS No. 71. MGE is unable to predict whether any adjustments to regulatory assets and liabilities will occur in the future. However, the PSCW has recognized the need to allow recovery for commitments made under prior regulation. See Footnote 6 for further discussion of regulatory assets and liabilities.

j. Debt Issuance Costs

Premiums, discounts, and expenses incurred with the issuance of outstanding long-term debt are amortized over the life of the debt issue. Any call premiums or unamortized expenses associated with refinancing higher-cost debt obligations used to finance utility-regulated assets and operations are amortized consistent with regulatory treatment of those items.

k. Property, Plant, and Equipment

Utility property, plant, and equipment is recorded at cost. Cost includes indirect costs consisting of payroll taxes, pensions, postretirement benefits, other fringe benefits, administrative and general costs, and AFUDC. Additions for significant replacements of property are charged to property, plant, and equipment at cost; minor items are charged to maintenance expense. The cost of depreciable utility property less salvage value is charged to accumulated depreciation when property is retired. Depreciation rates are approved by the PSCW and are based on the estimated economic lives of property.

Provisions at composite straight-line depreciation rates, excluding decommissioning costs, approximate the following percentages for the cost of depreciable property:

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Electric	3.0%	3.0%	2.8%
Gas	3.4%	3.3%	3.3%

l. Capitalized Interest

Interest costs of \$2.1 million in 2004, associated with the construction of WCCF, have been capitalized as part of the cost of the asset in accordance with the provisions set forth in SFAS No. 34, *Capitalization of Interest Cost*. These costs will be amortized over the asset's estimated useful life.

m. Allowance for Funds Used During Construction

Allowance for funds used during construction is included in utility plant accounts and represents the cost of borrowed funds used during plant construction and a return on stockholders' capital used for construction purposes. As approved by the PSCW, MGE capitalized AFUDC-debt and equity on 50% of applicable average construction work in progress during 2004 at 9.73%. Although the allowance does not represent current cash income, it is recovered under the ratemaking process over the service lives of the related properties.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2004/Q4
Madison Gas and Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

n. Investments

Investments in the common stock of affiliated companies in which MGE's ownership interest is 50% or less and in which MGE exercises significant influence over operating and financial policies are accounted for using the equity method, after eliminating the effects of any material intercompany transactions. All other investments are carried at fair value or at cost, as appropriate.

o. Capitalized Software Costs

Property, plant and equipment includes the capitalized costs of internal use software totaling \$6.1 million at December 31, 2004. There were no capitalized software costs at December 31, 2003. During 2004 MGE recorded \$0.2 million of amortization expense related to these costs. These software costs include internal and external costs incurred during the application development stage of software projects. These costs are amortized on a straight-line basis over the estimated useful lives of the assets. For internal use software, the useful lives range from five to ten years.

p. Income Taxes and Excise Taxes

Income Taxes

Under the liability method prescribed by SFAS No. 109, income taxes are deferred for all temporary differences between pretax financial and taxable income and between the book and tax basis of assets and liabilities using the tax rates scheduled by law to be in effect when the temporary differences reverse. Future tax benefits are recognized to the extent that realization of such benefits is more likely than not. A valuation allowance is recorded for those benefits that do not meet this criterion.

Regulation and SFAS No. 109 have resulted in a regulatory liability related to income taxes. Excess deferred income taxes result from past taxes provided at rates higher than current rates. The SFAS No. 109 regulatory liability and deferred investment tax credit reflects the revenue requirement associated with the return of these tax benefits to customers.

Investment tax credits from regulated operations are amortized over related property service lives.

Tax credits for the generation of electricity from wind are based on kWh produced and sold during the year at the current statutory tax credit rate of 1.8 cents per kWh.

MGE pays a state license fee tax in lieu of property taxes on property used in utility operations. License fee tax is calculated as a percent of adjusted operating revenues of the prior year. The electric tax rate is 3.19%, and the gas tax rate is 0.97%. Estimated tax is prepaid (prepaid taxes) one year in advance of expense recognition. License fee tax expense, included in other general taxes, was \$9.3 million and \$8.4 million for the years ended December 31, 2004 and 2003, respectively.

Operating income taxes, including tax credits, and license fee tax are included in rates.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Madison Gas and Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2004/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

q. Comprehensive Income

Comprehensive income includes all changes in equity during a period except those resulting from investments by and distributions to shareholders. Comprehensive income is reflected in the Statements of Accumulated Comprehensive Income, Comprehensive Income and Hedging Activities.

r. Revenues

Revenues from the sale of electricity and gas to customers are recorded when electricity/gas is delivered to those customers. The quantity of those sales is measured by customers' meters. Due to the large volume of those meters, it is impractical to read all of them at month-end. Meters are read on a systematic basis throughout the month based on established meter-reading schedules. Consequently, at the end of any month, there exists a quantity of electricity and gas service that has been delivered but not billed. As a result, management must estimate revenue related to electricity and gas delivered to customers between their meter-read date and the end of the period.

In order to estimate unbilled revenues as of the end of a particular period, MGE performs a series of calculations based upon actual and estimated numbers and assumptions. MGE begins by calculating the amount of electricity and gas available for sale within its system during that period based upon known inputs (i.e., electricity and gas purchases from third parties, gas from storage, and MGE-generated electricity). These amounts are then adjusted to deduct the amounts actually included in customers' bills for that period.

In the case of electricity, the amount is further reduced by estimating the quantity of electricity lost in the process of transmitting and distributing it to customers. The resulting available-for-sale quantities are then allocated to various customer classes based upon historical utilization patterns for those customers. MGE applies published tariffs to determine the associated revenues. Utilization patterns are based upon assumptions regarding weather, economic conditions, and consistency of use over the period in question. Actual use can be affected by variations in those items. The resulting estimate is then compared to other available statistics, including accounts receivable and billed sales for the particular period, in order to confirm its reasonableness.

During 2003, many of MGE's largest customers were shifted to a calendar-month bill. As a result of this shift, the majority of these customers' electricity usage is now accounted for in the unbilled calculation. The unbilled amounts are based on actual usage billed the following month and are therefore very reliable. Due to this billing shift, MGE has seen the ratio of unbilled receivables to total electric sales climb. The ratio has settled into a range of 45% to 65%, and MGE will continue to monitor and track this range.

Gas revenues are subject to an adjustment clause related to periodic changes in the cost of gas.

The FERC Form No. 1 includes interdepartmental revenue accounts 448.101 (electric) and 484.201 (gas). The electric and gas interdepartmental revenues for 2004 were \$447,601 and \$7,581,597. These interdepartmental revenues are eliminated for SEC financial reporting purposes.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2004/Q4
Madison Gas and Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

s. Risk Management Activities

As part of regular operations, MGE enters into contracts including options, swaps, futures, forwards, and other contractual commitments to manage its exposure to interest rates, commodity prices, and gas margin. MGE manages its interest rate risk by limiting its variable rate exposure through interest rate swap agreements. MGE evaluates its derivative contracts in accordance with SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended and interpreted. SFAS No. 133 requires the Company to recognize all derivatives in the consolidated balance sheets at fair value, with changes in the fair value of derivative instruments to be recorded in current earnings or deferred in accumulated other comprehensive income (loss), depending on whether a derivative is designated as, and is effective as, a hedge and on the type of hedge transaction.

If the derivative qualifies for regulatory deferral subject to the provisions of SFAS No. 71, *Accounting for the Effects of Certain Types of Regulation*, the derivatives are marked to fair value pursuant to SFAS No. 133 and are offset with a corresponding regulatory asset or liability.

t. Impairment of Long-Lived Assets

MGE reviews plant and equipment and other property for impairment when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. MGE's policy for determining when long-lived assets are impaired is to recognize an impairment loss if the sum of the expected future cash flows (undiscounted and without interest charges) from an asset are less than the carrying amount of that asset. If an impairment loss is recognized, the amount that will be recorded will be measured as the amount by which the carrying amount of the asset exceeds the fair value of the asset. MGE believes there is no impairment of long-lived assets in accordance with SFAS No. 144 at December 31, 2004.

u. Recently Issued Accounting Pronouncements

SFAS No. 143

Effective January 1, 2003, MGE adopted SFAS No. 143, *Accounting for Asset Retirement Obligations*. Under the new accounting standard, MGE recognizes, at fair value, legal obligations associated with the retirement of tangible long-lived assets that result from the acquisition, construction or development, and/or normal operation of the asset. This liability is estimated at \$1.5 million at December 31, 2004, and is included in other deferred liabilities. The liability is accreted to its present value each period. MGE defers this accretion as a regulatory asset based on its determination that these costs can be collected from customers. The associated retirement costs are capitalized as part of the related long-lived asset and depreciated over the useful life of the asset. SFAS No. 71 is applied to the regulated operations and regulatory assets or liabilities are recognized for the timing differences between when legal asset retirement obligations are recovered in rates and when recognition of these costs is required under SFAS No. 143.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2004/Q4
Madison Gas and Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

FIN 45

In November 2002, the FASB issued FIN 45, *Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others*. This interpretation provides the disclosures to be made by a guarantor in interim and annual financial statements about obligations under certain guarantees. The interpretation also clarifies that a guarantor is required to recognize, at the inception of a guarantee, a liability for the fair value of the obligation.

In connection with its "Shared Savings" program, MGE is party to a chattel paper purchase agreement with a financial institution under which it can sell or finance an undivided interest with recourse, in up to \$10.0 million of the financing program receivables, until August 31, 2005. The liability for the fair value of the obligation associated with these loans is not material.

MGE would be required to perform under the guarantee if the customer defaulted on its loan. The energy-related equipment installed at the customer sites is used to secure the customer loans. The length of the MGE guarantee to the financial institution varies from one to ten years depending on the term of the customer loan. Principal payments for the next five years on the loans are \$0.8 million in 2005 and 2006, \$0.7 million in 2007, \$0.9 million in 2008, and \$1.3 million in 2009.

FIN 46

In January 2003, the FASB issued FIN 46, *Consolidation of Variable Interest Entities - An Interpretation of ARB No. 51*. In December 2003, the FASB issued the updated and final interpretation FIN 46(R). FIN 46(R) requires that an equity investor in a VIE have significant equity at risk (generally a minimum of 10%, which is an increase from 3% required under the previous guidance) and hold a controlling interest, evidenced by voting rights, and absorb a majority of the entity's expected losses, receive a majority of the entity's expected returns, or both. If the equity investor is unable to evidence these characteristics, the entity that retains these ownership characteristics will be required to consolidate the VIE as the primary beneficiary. FIN 46 was applicable immediately to VIEs created or obtained after January 31, 2003. FIN 46(R) was effective on December 31, 2003, for interests in entities that were previously considered special-purpose entities under then existing authoritative guidance.

MGE Power West Campus is a VIE pursuant to FIN 46(R), as the equity investment at December 31, 2003, was not sufficient to permit the entity to finance its activities without additional support. MGE concluded a VIE relationship exists due to the long-term lease arrangement between MGE and MGE Power West Campus. MGE Power West Campus will lease a major portion of its assets, a power plant, to MGE, pursuant to this leasing arrangement and MGE will absorb a majority of the expected losses, residual, or both. The VIE was consolidated into MGE as of December 31, 2003.

FIN 46(R) also requires MGE to assess whether the participants within its Shared Savings program constitute VIEs in which MGE might be considered to be the consolidating entity. MGE has reviewed 75% of the total current Shared Savings program balance and has determined that the provisions of FIN 46(R) are not applicable via the "business scope exception." For the remaining 25% of the total current Shared Savings program balance, MGE has not performed this assessment. These entities are not legally obligated to provide the financial information to MGE that is necessary to determine whether MGE must consolidate these entities. MGE will continue to attempt to obtain information from these customers in order to determine whether they should be consolidated by MGE.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Madison Gas and Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2004/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

FSP 106-2

On December 8, 2003, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 was signed into law authorizing Medicare to provide prescription drug benefits to retirees. FSP 106-2, *Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003*, was issued on May 19, 2004. The FSP provides guidance on accounting for the effects of the new Medicare prescription drug legislation by employers whose prescription drug benefits are actuarially equivalent to the drug benefit under Medicare Part D. MGE applied the provisions of this guidance in the third quarter of 2004. At this time, previously reported financial information for the three months ended March 31, 2004 and June 30, 2004 were adjusted to reflect a reduction in net periodic postretirement benefit cost as if FSP 106-2 was adopted as of January 1, 2004. Amounts for these periods, when presented in future periods for comparative purposes, will be presented as such.

FSP 109-1

In December 2004, the FASB issued FSP 109-1, *Application of FASB Statement No. 109, 'Application for Income Taxes,' to the Tax Deduction on Qualified Production Activities Provided by the American Jobs Creation Act of 2004* (FSP FAS 109-1). The American Jobs Creation Act of 2004 (Act), signed into law on October 22, 2004, provided, generally, for a tax deduction, effective for taxable years beginning after December 31, 2004, for domestic manufacturing activities of up to nine percent (when fully phased-in) of the lesser of "qualified production activities income," as defined in the Act, or taxable income. FSP 109-1 clarified that the tax deduction for domestic manufacturing activities under the Act should be accounted for as a special deduction in accordance with SFAS No. 109, "Accounting for Income Taxes" (SFAS No. 109). This Act and these standards do not appear to have a significant impact on our consolidated financial statements.

EITF 03-01

In March 2004, the EITF reached consensus on and the FASB ratified EITF Issues No. 03-01, *The Meaning Other-Than-Temporary Impairment and its Application to Certain Investments* (EITF 03-01). EITF 03-01 provides guidance for evaluating whether an investment is other-than-temporarily impaired. MGE and MGE Energy adopted the disclosure requirements of EITF 03-01 for investments accounted for under SFAS No. 115 for the year ended December 31, 2004. On September 30, 2004, the FASB issued EITF 03-01-01, *Effective Date of Paragraphs 10-20 of EITF Issue No. 03-01, 'The Meaning of Other-Than-Temporary Impairment and its Application to Certain Investments'*, which delayed the effective date of the application guidance on impairment of securities included within EITF 03-01. The EITF and the FASB are reconsidering the conclusions reached within EITF 03-01.

v. Reclassification

Certain prior-year amounts have been reclassified for comparative purposes. These reclassifications did not affect consolidated net income or shareholders' equity for the years presented.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Madison Gas and Electric Company			2004/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

2. Basis of Consolidation

MGE Power West Campus is not a subsidiary of MGE; however, it has been consolidated in the financial statements of MGE as of December 31, 2003, and subsequent periods due to the adoption of FIN 46(R) (see Footnote 1). MGE Power West Campus was created for the purpose of owning new generating assets including WCCF. These new generating assets are for the primary benefit of MGE's customers. The long-term lease arrangement between MGE and MGE Power West Campus creates a VIE relationship under FIN 46(R). MGE is considered the primary beneficiary of this VIE because it will absorb a majority of the entity's expected losses, residual returns, or both.

The consolidation of MGE Power West Campus resulted in a significant increase to certain balance sheet accounts such as construction work in progress of \$95.7 million, long-term debt of \$30.0 million, minority interest of \$40.4 million, and affiliate payables of \$19.4 million as of December 31, 2004. In 2003, the inclusion of MGE Power West campus resulted in an increase to construction work in progress of \$48.6 million, an increase in long-term debt of \$30.0 million, and affiliate payables of \$18.9 million at December 31, 2003. As MGE Power West Campus had no significant operations, the consolidation of this entity by MGE did not have a material impact on MGE's consolidated statements of income for 2004.

3. Property, Plant, and Equipment

Property, plant, and equipment consisted of the following at December 31:

<i>(In thousands)</i>	<u>2004</u>	<u>2003</u>
Production	\$251,361	\$239,872
Distribution	521,346	491,423
General	82,051	74,432
Total utility plant	854,758	805,727
Less: Accumulated depreciation and amortization	374,604	356,705
In-service plant, net	480,154	449,022
Construction work in progress	127,272	88,489
Total property, plant, and equipment	<u>\$607,426</u>	<u>\$537,511</u>

MGE's utility plant is subject to the lien of its First Mortgage Bonds up to \$1.2 million, the balance of First Mortgage Bonds outstanding at December 31, 2004. See Footnote 10 for further discussion of this facility.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2004/Q4
Madison Gas and Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

4. Asset Sales and Divestitures

a. ATC

On January 1, 2001, MGE transferred substantially all of its electric transmission facilities to ATC in exchange for approximately a 5% interest in this joint venture. ATC is comprised of Wisconsin investor-owned utilities and some Wisconsin municipal utilities, cooperatives, and power supply agencies.

MGE has a seat on the Board of Directors of ATC and has a 20% ownership interest in ATC Management, Inc. Due to MGE's ability to exercise significant control over management activities, MGE has accounted for this investment under the equity method of accounting. MGE records as equity in earnings of the investee its share of ATC's earnings, amortization of the SFAS No. 109 regulatory liability, and deferred investment tax credits related to the transmission assets transferred to ATC. MGE recorded equity earnings from its investment in ATC of \$4.2 million (pretax) in 2004, \$3.7 million (pretax) in 2003, and \$3.3 million (pretax) in 2002. In 2004, MGE made \$3.5 million in additional capital contributions. Dividend income received from ATC was \$3.1 million in 2004, \$2.6 million in 2003, and \$2.7 million in 2002.

MGE recorded transmission expenses from ATC of \$12.7 million in 2004, \$13.9 million in 2003, and \$7.9 million in 2002.

The PSCW authorized an electric rate surcharge of \$4.5 million, or 2.0%, over a twelve-month period ended October 23, 2003, for MGE to recover deferred costs associated with the ATC formation and ongoing incremental transmission costs during 2001 and 2002.

b. Kewaunee sale

MGE sold to WPSC its 17.8% ownership interest in Kewaunee in September 2001. On the closing date, MGE also transferred its qualified decommissioning fund (\$65.0 million, fair market value) and nonqualified decommissioning fund (\$28.1 million, fair market value), which decreased accumulated depreciation by an equal amount.

MGE made monthly contributions of approximately \$0.7 million (the level authorized by the PSCW) to the MGE nonqualified decommissioning fund from September 23, 2001, through December 31, 2002. These costs were recovered from customers in rates. MGE's decommissioning liability is limited to the fund balances at the closing date plus all decommissioning collections through 2002. Under the Kewaunee sale agreement, MGE was obligated to continue collecting decommissioning costs from its customers during 2002, and to remit those amounts, net of trust investment expenses and taxes on investment income, to the WPSC nonqualified decommissioning fund, which it did on January 3, 2003. MGE has no further obligation to the decommissioning of Kewaunee except as described in the next paragraph with respect to spent nuclear fuel.

The federal government is responsible for the disposition and storage of spent nuclear fuel. Federal legislation is being considered to establish an interim storage facility. Spent nuclear fuel is currently stored at Kewaunee. Minor plant modifications to the spent fuel pools in 2001 should ensure Kewaunee has sufficient fuel-storage capacity until the end of its licensed life in 2013. MGE retained spent fuel obligations for all fuel burned at Kewaunee for its share of the generation from the opening of the plant to the transaction closing date with WPSC. WPSC took title to such fuel at the closing date.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2004/Q4
Madison Gas and Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

A surcharge imposed by the National Energy Policy Act of 1992 requires nuclear power companies to fund the decontamination and decommissioning of U.S. Department of Energy facilities that process nuclear fuel. As a result, the Kewaunee co-owners are required to pay a surcharge on uranium enrichment services purchased from the federal government prior to October 23, 1992. On an inflation-adjusted basis, MGE's portion of the obligation related to Kewaunee is approximately \$0.6 million at December 31, 2004. MGE is required to continue paying its portion of this annual assessment.

As allowed under the Kewaunee sale agreement, MGE exercised an option to purchase 90 MW of electric capacity and energy at a fixed price from September 24, 2001, through September 23, 2003, to help meet customers' electric needs.

5. Joint Plant Ownership

MGE and two other utilities jointly own Columbia, a coal-fired generating facility, which accounts for 35.0% (225 MW) of MGE's net generating capability. Power from this facility is shared in proportion to each company's ownership interest. MGE has a 22.0% ownership interest in Columbia. The other owners are Alliant, which operates Columbia, and WPSC. MGE's share of fuel, operating, and maintenance expenses for Columbia was \$27.9 million, \$27.4 million, and \$26.2 million for the years ended December 31, 2004, 2003, and 2002, respectively.

Each owner provides its own financing and reflects its respective portion of facilities and operating costs in its financial statements. MGE's interest in Columbia, included in its gross utility plant in service, and the related accumulated depreciation reserves at December 31 were as follows:

<i>(In thousands)</i>	<u>2004</u>	<u>2003</u>
Utility plant	\$ 98,069	\$ 95,594
Accumulated depreciation	<u>(62,992)</u>	<u>(60,723)</u>
Net plant	<u>\$ 35,077</u>	<u>\$ 34,871</u>

Name of Respondent Madison Gas and Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2004/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

6. Regulatory Assets and Liabilities

The following regulatory assets and liabilities are reflected in MGE's consolidated balance sheet as of December 31:

<i>(In thousands)</i>		2004	2003
Regulatory Assets			
Decommissioning and decontamination		\$ 579	\$ 846
Environmental costs		2,064	1,825
Deferred charges related to ATC		68	(23)
Deferred changes related to interest – 2027A Series		775	810
Regulatory asset – SFAS No. 133		1,073	277
Tax recovery related to AFUDC equity		2,869	2,740
Asset retirement obligation – SFAS No. 143		966	850
Minimum pension liability		9,782	-
Tax recovery for prior flow through		1,879	3,205
Unamortized bond issuance costs		2,716	2,861
Other		328	457
<i>Total regulatory assets</i>		<u>\$23,099</u>	<u>\$13,848</u>
Regulatory Liabilities			
Regulatory liability - SFAS No. 109		\$ 8,604	\$ 9,877
Escrow ATC/MISO		(717)	(363)
Regulatory liability - SFAS No. 133		-	732
Regulatory liability - customer fuel credit		1,656	2,762
Other		1,422	3,321
<i>Total regulatory liabilities</i>		<u>\$10,965</u>	<u>\$16,329</u>

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2004/Q4
Madison Gas and Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

MGE expects to recover their regulatory assets and return their regulatory liabilities through rates charged to customers based on PSCW decisions made during the ratemaking process based on PSCW long-standing policies and guidelines. The adjustments to rates for these regulatory assets and liabilities will occur over the periods either specified by the PSCW or over the corresponding period related to the asset or liability. We believe it is probable that MGE will continue to recover from customers the regulatory assets described above based on prior and current ratemaking treatment for such costs. MGE is earning a return on all regulatory assets, except for amounts expended for environmental costs.

Decommissioning and Decontamination

Costs related to decommissioning and decontamination will be recovered in rates through September 2007. The 1992 National Energy Policy Act requires all utilities that have used federal enrichment facilities to pay a special assessment for decontaminating and decommissioning these facilities. This special assessment is based on past enrichment. MGE has deferred in deferred charges an estimated \$0.6 million and \$0.8 million for its portion of the special assessment at December 31, 2004, and 2003, respectively. MGE believes any additional costs will be recovered in future rates.

Environmental Costs

MGE has received regulatory treatment on environmental costs including clean up of two landfill sites and a substation site. The regulators have not allowed MGE to recover carrying costs on these environmental expenditures. As of December 31, 2004, MGE has recorded \$2.1 million in regulatory assets for environmental costs, including \$0.1 million for accrual for estimated future site remediation and \$2.0 million of deferrals for actual remediation costs incurred. These costs are being recovered over a four year period.

Deferred Charges Related to ATC

Deferred charges in connection with the start-up of ATC and ongoing incremental transmission costs during 2001 and 2002, associated with ATC were deferred under SFAS No. 71. MGE recovered these costs from October 2002 through October 2003. The PSCW has also allowed MGE to continue to use escrow accounting for the incremental transmission costs. The escrow accounting allows the utility to true-up its actual costs incurred and reflect the amount of the true-up in its next rate case filing and amortize the amount over that rate case period. A carrying cost component is calculated on the escrow balance.

Deferred Charges Related to Interest - 2027A Series

Deferred charges on the interest expense of the 2027A Series relates to the incremental difference in the interest that MGE earned on its construction bond fund and the actual interest that MGE paid out. That incremental difference between interest earned and interest expensed is currently being amortized over the remaining life of the bonds as part of the rate recovery allowed by the PSCW.

Regulatory Asset (Liability) - SFAS No. 133

MGE has a limited number of physical and financial gas commodity contracts that are defined as derivatives under SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*. The derivative amounts recorded as a result of these gas contracts is offset with a corresponding regulatory asset or liability because these transactions are part of the PGA clause authorized by the PSCW and not subject to the gas cost incentive sharing mechanism.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2004/Q4
Madison Gas and Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

As of December 31, 2004, MGE has recorded a regulatory asset of \$1.1 million for the cumulative mark-to-market value of its gas supply contracts and the Columbia coal contract. As of December 31, 2003, MGE had recorded a regulatory asset of \$0.3 million related to the commercial paper swap agreement and a regulatory liability of \$0.7 million for the cumulative mark-to-market value of its gas supply derivatives.

Tax Recovery Related to AFUDC Equity

AFUDC equity represents the after-tax equity cost associated with utility plant construction and results in a temporary difference between the book and tax basis of such plant. Deferred income taxes are provided on this temporary difference in accordance with SFAS No. 109, *Accounting for Income Taxes*. It is probable under PSCW regulation that MGE will recover in future rates the future increase in taxes payable represented by the deferred income tax liability. The amounts will be recovered in rates over the depreciable life of the asset for which AFUDC was applied. Tax recovery related to AFUDC equity represents the revenue requirement related to recovery of these future taxes payable, calculated at current statutory tax rates.

Asset Retirement Obligation - SFAS No. 143

See Footnote 18 for further discussion.

Minimum Pension Liability

On December 21, 2004, the PSCW issued a final order which concluded that minimum pension liabilities related to regulated operations should be classified as regulatory assets within the consolidated balance sheet. As such, the minimum pension liability required for MGE's pension plan has been recorded as a regulatory asset at December 31, 2004, rather than within other comprehensive income as prescribed by SFAS No. 87.

Tax Recovery For Prior Flow Through

The PSCW has allowed rate recovery of deferred taxes on all temporary differences since June 1991 when the FERC Uniform System of Accounts was adopted. Unrecovered deferred taxes in existence at the time of adoption were authorized for rate recovery over 15 years through 2006.

Tax recovery for prior flow through represents the revenue requirement, calculated at current tax rates, related to the remaining recovery period.

Regulatory Liability - SFAS No. 109

Regulation and SFAS No. 109 have resulted in a regulatory liability related to income taxes. Excess deferred income taxes result from past taxes provided at rates higher than current rates. The SFAS No. 109 regulatory liability and deferred investment tax credit reflects the revenue requirement associated with the return of these tax benefits to customers.

Regulatory Liability - Customer Fuel Credit

See Footnote 16 for further discussion.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Madison Gas and Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2004/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

7. Decommissioning Trusts

MGE transferred the assets of its external decommissioning trusts to external trusts of WPSC in September 2001, as part of the Kewaunee sale agreement (see Footnote 4). The agreement required MGE to continue funding its external decommissioning trust through the end of 2002, at the PSCW-authorized level of approximately \$0.7 million per month. These costs were recovered from customers in rates. At the beginning of 2003, the remaining assets of the MGE external trust were transferred to the external trust of WPSC.

As required by SFAS No. 115, *Accounting for Certain Investments in Debt and Equity Securities*, MGE's debt and equity security investments in the trusts were classified as available for sale. Gains and losses on the trusts were determined based on specific identification. Net unrealized holding gains and losses on the trusts were recorded as part of accumulated provision for depreciation.

8. Common Equity

a. Common Stock

MGE Energy owns all the outstanding common shares of MGE.

b. Preferred Stock

MGE has 1,175,000 shares of \$25 par value redeemable preferred stock (cumulative) that is authorized but unissued at December 31, 2004.

9. Minority Interest

MGE Power West Campus is not a subsidiary of MGE; however, it has been consolidated in the consolidated financial statements of MGE as of December 31, 2003 and 2004, due to the adoption of FIN 46(R) (see Footnote 1).

MGE Power West Campus is owned indirectly by MGE Energy. MGE Energy's proportionate share of the equity (through its wholly owned subsidiary MGE Power) of MGE Power West Campus is classified within the MGE financial statements as minority interest. The minority interest of \$40,377,706 is included in Other Paid-In Capital.

10. Long-Term Debt

a. 5.68% Senior Secured Notes

On September 30, 2003, MGE Energy, through MGE Power West Campus, issued \$30.0 million of 5.68% senior secured notes maturing September 25, 2033, in a private placement offering. Interest only will be paid monthly for the first ten years and then principal and interest payments will be paid monthly for the remaining life of the debt. The proceeds from these notes were used to pay off a portion of MGE Energy's bank loans, which provided temporary financing of capital expenditures for the WCCF.

The debt is subject to a collateral assignment of lease payments that MGE will be making to MGE Power West Campus for use of the cogeneration facility. Until the facility is operational, MGE Energy will guarantee the debt.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2004/Q4
Madison Gas and Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

b. First Mortgage Bonds and Other Long-Term Debt

MGE's utility plant is subject to the lien of its First Mortgage Bonds.

MGE's outstanding First Mortgage Bonds contain certain debt covenant restrictions with respect to dividends. The covenant restricts the payment of dividends or any other distribution or purchase of shares to the existing earned surplus (retained earnings) on MGE common stock. As of December 31, 2004, MGE's earned surplus exceeded all such payments for all years covered under this report.

On September 9, 2003, MGE issued \$20 million in unsecured 6.12% Medium-Term Notes maturing on September 1, 2028. Interest on these notes is paid semiannually on March 1 and September 1 of each year. The proceeds from this issue were used to redeem \$20 million, 7.70%, 2028 Series, First Mortgage Bonds, on September 30, 2003. The call premium for the redeemed bonds was \$0.9 million and is recoverable through rates.

On November 27, 2002, MGE issued \$15.0 million in unsecured variable-rate Medium-Term Notes, which matured on November 26, 2004. Interest on the notes was paid quarterly on the third Wednesday of March, June, September, and December. The variable rate was based on the three-month London Interbank Offered Rate (LIBOR) plus 12.5 basis points.

The indenture under which the Medium-Term Notes were issued provides that they will be entitled to be equally and ratably secured in the event that MGE issues any additional First Mortgage Bonds.

Below is MGE's aggregate maturities for all long-term debt for years following the December 31, 2004, balance sheet.

	(In thousands)	Amount
2005		\$ -
2006		-
2007		15,000
2008		30,000
2009		-
Future years		<u>158,500</u>
Total*		<u>\$203,500</u>

*Includes \$30 million maturity for MGE Power West Campus, which is consolidated with MGE's debt in accordance with FIN 46(R) (see Footnote 1).

11. Notes Payable to Banks, Commercial Paper, and Lines of Credit

For short-term borrowings, MGE generally issues commercial paper (issued at the prevailing discount rate at the time of issuance), which is supported by unused bank lines of credit. During 2004, MGE entered into a \$45 million bank line of credit with a group of banks. MGE also added an additional \$10.0 million credit facility which matures on March 29, 2005. These agreements will be used principally to support MGE's commercial paper program. MGE also has a letter of credit with a commercial bank (established as collateral for equipment purchases) that ATC will use to provide necessary upgrades for the WCCF.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2004/Q4
Madison Gas and Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Information concerning short-term borrowings for the past three years is shown below:

<i>(In thousands)</i>	As of December 31,		
	<u>2004</u>	<u>2003</u>	<u>2002</u>
Available lines of credit	\$ 55,000	\$ 40,000	\$ 40,000
Commercial paper outstanding	\$ 40,275	\$ 15,500	\$ 13,500
Weighted-average interest rate	2.41%	1.21%	1.40%
<i>During the year:</i>			
Maximum short-term borrowings	\$ 40,275	\$ 15,500	\$33,500
Average short-term borrowings	\$ 6,526	\$ 2,162	\$14,359
Weighted-average interest rate	1.79%	1.29%	1.82%

12. Fair Value of Financial Instruments

At December 31, 2004, and 2003, the carrying amount of cash, cash equivalents, and outstanding commercial paper approximates fair market value due to the short maturity of those investments and obligations. The estimated fair market value of MGE's long-term debt and interest-rate swap agreements are based on quoted market prices at December 31. The estimated fair market value of MGE's financial instruments are as follows:

<i>(In thousands)</i>	2004		2003	
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
<i>Assets:</i>				
Cash and cash equivalents	\$970	\$970	\$450	\$450
Restricted cash	876	876	764	764
<i>Liabilities:</i>				
Short-term debt - commercial paper	40,275	40,275	15,500	15,500
Long-term debt	203,500	218,292	218,500	231,712
Other long-term debt swap agreements	-	-	(148)	(148)

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2004/Q4
Madison Gas and Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

13. Income Taxes

The differences between the federal statutory income tax rate and MGE's effective rate are as follows:

	2004	2003
Statutory federal income tax rate	35.0%	35.0%
Amortized investment tax credits	(1.0)%	(1.0)%
State income taxes, net of federal benefit	5.1%	5.2%
Credit for electricity from wind energy	(0.8)%	(0.8)%
Medicare subsidy	(0.4)%	-
Other, individually insignificant	(0.1)%	0.8%
Effective income tax rate	<u>37.8%</u>	<u>39.2%</u>

The components of deferred tax (assets) liabilities on the balance sheets as of December 31, are as follows:

<i>(In thousands)</i>	2004	2003
SFAS 109 deferred tax account	\$(5,215)	\$(5,927)
Deferred compensation	(3,632)	(5,574)
Vacation pay	(1,329)	(1,391)
SFAS 106 costs	(4,880)	(3,910)
Accumulated provision for uncollectibles	(1,096)	(1,087)
Investment in ATC carrying value difference	(1,213)	(1,321)
Accrued expenses	(1,489)	(1,641)
Minimum pension liability	(5,809)	-
Other	(1,859)	(1,548)
Valuation allowance against deferred tax assets	<u>368</u>	<u>368</u>
Deferred Tax Assets, Net	<u>\$(26,154)</u>	<u>\$(22,031)</u>
Property-related	\$ 79,944	\$ 75,313
Prepaid expenses	4,818	4,275
Pension	1,846	1,742
Bond transactions	2,877	3,026
Investment in ATC basis difference	15,774	12,182
Minimum pension obligation	5,809	-
AFUDC equity	1,151	1,100
Other	<u>3,847</u>	<u>3,204</u>
Deferred Tax Liabilities	<u>\$119,365</u>	<u>\$100,842</u>
Net Deferred Tax Liabilities	<u>\$ 89,912</u>	<u>\$ 78,811</u>

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Madison Gas and Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2004/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

The valuation allowance reduces MGE's deferred tax assets for state carryforward losses to estimated realizable value due to the uncertainty of future income estimates in various state tax jurisdictions.

For tax purposes, as of December 31, 2004, MGE had approximately \$7.6 million of state tax net operating loss deductions that expire between 2011 to 2019 if unused.

14. Pension Plans

MGE maintains qualified and nonqualified pension plans. MGE also provides health care and life insurance benefits for its retired employees. MGE uses a measurement date of December 31 for all of its pension and postretirement benefit plans.

MGE maintains two defined contribution 401(k) benefit plans for its employees. MGE's costs of the 401(k) plans were \$0.8 million in 2004, \$0.7 million in 2003, and \$0.6 million in 2002.

a. Benefit Obligations

<i>(In thousands)</i> Change in benefit obligation:	Pension Benefits		Postretirement Benefits	
	2004	2003	2004	2003
Net benefit obligation at beginning of year	\$133,461	\$117,410	\$54,813	\$45,639
Service cost	4,171	3,418	1,852	1,806
Interest cost	8,578	8,023	3,076	3,248
Plan participants' contributions	-	-	322	304
Plan amendments	-	557	446	-
Actuarial loss	12,882	7,743	(7,331)	5,051
Special termination benefits	-	280	-	-
Gross benefits paid	(4,496)	(3,970)	(1,278)	(1,235)
Net benefit obligation at end of year	<u>\$154,596</u>	<u>\$133,461</u>	<u>\$51,900</u>	<u>\$54,813</u>

The accumulated benefit obligation for the defined benefit pension plan at the end of 2004 and 2003 was \$129.7 million and \$113.8 million, respectively. The accumulated benefit obligation for the other postretirement benefits at the end of 2004 and 2003, was \$51.9 million and \$54.8 million, respectively.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Madison Gas and Electric Company		/ /	2004/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

	Pension Benefits		Postretirement Benefits	
Weighted-average assumptions used to determine end of year benefit obligations:	2004	2003	2004	2003
Discount rate	5.85%	6.25%	5.85%	6.25%
Rate of compensation increase	4.55%	4.50%	NA	NA

The following table shows assumed health care cost trend rates at December 31:

	2004	2003
Health care cost trend rate assumed for next year	10%	13%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5%	5%
Year that the rate reaches the ultimate trend rate	2012	2012

The assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. For 2004, the health trend was reset to 10% with the ultimate trend of 5% reached in 2012. The health trend assumption for 2005 was reset from 12% to 10% as a result of an expanded relationship with a managed care health provider with a greater emphasis on preventive care, provider discounts, and better utilization management.

The following table shows how an assumed 1% increase or 1% decrease in health care cost trends could impact postretirement benefits in 2004 dollars:

(In thousands)	1% Increase	1% Decrease
Effect on postretirement benefit obligation	\$8,214	(\$7,070)

On December 8, 2003, the "Medicare Prescription Drug, Improvement and Modernization Act of 2003" (the Act) was signed into law authorizing Medicare to provide prescription drug benefits to retirees. The Prescription Drug Act introduced a prescription drug benefit under Medicare as well as a Federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to the Medicare prescription drug benefit. Management believes the prescription drug benefit provided under MGE's postretirement benefit plans is at least actuarially equivalent to the Medicare prescription drug benefit. In response to the enactment of the Prescription Drug Act, on May 19, 2003 FSP 106-2, *Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003*, was issued.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Madison Gas and Electric Company			2004/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

During the third quarter of 2004, MGE adopted the provisions of FSP 106-2, resulting in a remeasurement of its postretirement benefits and a remeasurement of its postretirement plans' assets and APBO as of January 1, 2004. The effect of the subsidy on benefits attributable to past service was accounted for as an actuarial experience gain, resulting in a decrease in the APBO of \$4.3 million. The annualized reduction in the net periodic postretirement benefit cost is estimated to be \$0.7 million compared to the annual cost calculated without considering the effects of the Prescription Drug Act. Previously reported financial information for the three months ended March 31, 2004 and June 30, 2004 have also been adjusted to reflect a reduction in net periodic postretirement benefit cost as if FSP 106-2 was adopted as of January 1, 2004. Amounts for these periods, when presented in future periods for comparative purposes, will be presented as such.

b. Plan Assets

<i>(In thousands)</i>	Pension Benefits		Postretirement Benefits	
	2004	2003	2004	2003
Change in plan assets:				
Fair value of plan assets at beginning of year	\$100,228	\$ 79,821	\$ 9,941	\$ 7,292
Actual return on plan assets	11,416	20,883	898	1,429
Employer contributions	1,512	3,494	816	2,152
Plan participants' contributions	-	-	322	304
Gross benefits paid	(4,496)	(3,970)	(1,278)	(1,236)
Fair value of plan assets at end of year	<u>\$108,660</u>	<u>\$100,228</u>	<u>\$10,699</u>	<u>\$ 9,941</u>

The fair value of plan assets for these plans is \$108.7 million and \$100.2 million at the end of 2004 and 2003, respectively. The expected long-term rate of return on these plan assets was 9.0% in 2004 and 2003.

c. Explanation of Long-Term Rate of Return

MGE employs a building-block approach in determining the expected long-term rate of return for asset classes. Historical markets are studied and long-term historical relationships among asset classes are analyzed, consistent with the widely accepted capital market principle that assets with higher volatility generate a greater return over the long run. Current market factors such as interest rates and dividend yields are evaluated before long-term capital market assumptions are determined.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2004/Q4
Madison Gas and Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

The expected long-term nominal rate of return for plan assets is primarily a function of expected long-term real rates of return for component asset classes and the plan's target asset allocation in conjunction with an inflation assumption. Consideration is also given to diversification, rebalancing, and active portfolio management. Peer data and historical returns are reviewed to check for reasonability and appropriateness.

The asset allocation for MGE's pension plans at the end of 2004 and 2003, and the target allocation for 2005, by asset category, follows:

	Target Allocation	Percentage of Plan Assets at Year End	
		2004	2003
Equity securities	75.0%	75.6%	75.8%
Debt securities*	15.0%	13.8%	19.4%
Real estate*	10.0%	10.6%	4.8%
Total	100.0%	100.0%	100.0%

* The target allocation related to debt securities changed during 2004 from 20% in 2003 to 15% in 2004. The target allocation related to real estate securities also changed in 2004 from 5% in 2003 to 10% in 2004.

d. Investment Strategy

MGE employs a total return investment approach whereby a mix of equities, fixed income, and real estate investments are used to maximize the expected long return of plan assets for a prudent level of risk. Risk tolerance is established through careful consideration of plan liabilities, plan-funded status, and corporate financial condition. The investment portfolio contains a diversified blend of equity, fixed income, and real estate investments. Target asset allocations are as follows: 55% United States equity, 20% non-United States equity, 15% fixed income, and 10% real estate. Investment risk is measured and monitored on an ongoing basis through periodic investment portfolio reviews and liability measurements.

e. Postretirement Benefits

The fair value of plan assets for these postretirement benefit plans is \$10.7 million and \$9.9 million at the end of 2004 and 2003, respectively. The expected long-term rate of return on these plan assets was 9.0% in 2004 and 2003.

Of the above amounts, \$8.1 million and \$7.3 million at the end of 2004 and 2003, respectively, were held in the master pension trust and are allocable to postretirement health expenses. The target asset allocation and investment strategy for the portion of assets held in the master pension trust are the same as that explained for MGE's pension plans.

The remainder of postretirement benefit assets are held either in an insurance continuance fund for the payment of retiree life benefits or a health benefit trust for payment of retiree health claims. There is no formal target asset allocation for these assets, but the intent is to seek interest income and maintain stability of principal.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2004/Q4
Madison Gas and Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

f. Funded Status

The funded status of the plans, reconciled to the amount reported on the statement of financial position, follows:

(In thousands)	Pension Benefits		Postretirement Benefits	
	2004	2003	2004	2003
Fair value of plan assets at end of year	\$108,660	\$100,228	\$ 10,699	\$ 9,941
Benefit obligations	<u>154,596</u>	<u>133,461</u>	<u>51,900</u>	<u>54,813</u>
Funded status at end of year	(45,936)	(33,233)	(41,201)	(44,872)
Unrecognized net actuarial (gain)/loss	34,721	25,364	16,710	24,904
Unrecognized prior service cost	3,767	4,170	1,193	971
Unrecognized net transition obligation	<u>925</u>	<u>1,167</u>	<u>3,471</u>	<u>3,908</u>
Net amount recognized at end of year	<u>\$ (6,523)</u>	<u>\$ (2,532)</u>	<u>\$ (19,827)</u>	<u>\$ (15,089)</u>

Amounts recognized in the balance sheet consist of:

Prepaid benefit cost	\$ -	\$ -	\$ 62	\$ 67
Accrued benefit liability	(20,998)	(13,551)	(19,889)	(15,156)
Intangible asset	4,693	5,357	-	-
Regulatory asset	9,782	-	-	-
Accumulated other comprehensive income	-	<u>5,662</u>	-	-
Net amount recognized at end of year	<u>\$ (6,523)</u>	<u>\$ (2,532)</u>	<u>\$ (19,827)</u>	<u>\$ (15,089)</u>

On December 21, 2004, the PSCW issued a final order which concluded that minimum pension liabilities related to regulated operations should be classified as regulatory assets within the consolidated balance sheet. As such, the minimum pension liability required for MGE's pension plan has been recorded as a regulatory asset as of December 31, 2004, rather than within other comprehensive income as prescribed by SFAS No. 87.

Prior to the issue of the order mentioned above, MGE's minimum pension liability was included in other comprehensive income. For the year ended December 31, 2003, MGE included a minimum pension liability of \$5.7 million (pretax) in the other comprehensive income balance.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Madison Gas and Electric Company			2004/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

The projected benefit obligation, accumulated benefit obligation, and fair value of assets for pension plans with a projected benefit obligation in excess of plan assets and pension plans and postretirement plans with an accumulated benefit obligation in excess of the fair value of assets are as follows:

<i>(In thousands)</i>		Pension Benefits		Postretirement Benefits	
As of December 31,		2004	2003	2004	2003
Projected benefit obligation exceeds plan assets:					
Projected benefit obligation		\$154,596	\$133,461	NA	NA
Accumulated benefit obligation		129,657	113,779	NA	NA
Fair value of assets		108,660	100,228	NA	NA
Accumulated benefit obligation exceeds plan assets:					
Projected benefit obligation		154,596	133,461	NA	NA
Accumulated benefit obligation		129,657	113,779	\$51,900	\$54,813
Fair value of assets		108,660	100,228	10,699	9,941

Name of Respondent Madison Gas and Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2004/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

g. Expected Cash Flows

There are no required contributions, but MGE may elect discretionary deductible contributions depending upon its valuation results and cash flow from operations. MGE made a \$4 million contribution in 2005 related to the 2004 plan year. This payment is strictly at MGE's discretion as there are no contributions required for 2004 or 2005.

h. Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

	Pension	Post-Retirement		
	Pension Benefits	Gross Post-Retirement Benefits	Expected Medicare Part D Subsidy	Net Post-Retirement Benefits
2005	\$ 4,734	\$ 1,307	\$ -	\$ 1,307
2006	5,146	1,517	(96)	1,421
2007	5,773	1,790	(108)	1,682
2008	6,370	2,099	(122)	1,977
2009	7,189	2,434	(140)	2,294
2010-2014	46,585	16,792	(1,003)	15,789

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Madison Gas and Electric Company			2004/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

i. Net Periodic Cost

MGE has elected to recognize the cost of its transition obligation (the accumulated postretirement benefit obligation as of January 1, 1993) by amortizing it on a straight-line basis over 20 years.

<i>(In thousands)</i>		Pension Benefits			Postretirement Benefits		
Components of net periodic		2004	2003	2002	2004	2003	2002
benefit cost:							
Service cost		\$ 4,171	\$ 3,418	\$ 2,603	\$ 1,852	\$ 1,806	\$ 1,062
Interest cost		8,579	8,023	7,514	3,076	3,248	2,190
Expected return on assets		(8,848)	(7,023)	(8,556)	(849)	(627)	(687)
Amortization of:							
Transition obligation		239	104	104	434	434	434
Prior service cost		404	480	457	224	190	190
Actuarial gain/(loss)		<u>958</u>	<u>1,444</u>	<u>147</u>	<u>815</u>	<u>1,155</u>	<u>285</u>
Net periodic benefit cost		<u>\$ 5,503</u>	<u>\$ 6,446</u>	<u>\$ 2,269</u>	<u>\$ 5,552</u>	<u>\$ 6,206</u>	<u>\$ 3,474</u>
Weighted-average assumptions used to determine net periodic cost:							
Discount rate		6.25%	6.75%	7.25%	6.25%	6.75%	7.25%
Expected return on plan assets		9.00%	9.00%	9.50%	9.00%	9.00%	9.50%
Rate of compensation increase		4.50%	4.50%	4.50%	NA	NA	NA

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2004/Q4
Madison Gas and Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A 1% change in the assumed health care cost trend rates would have had the following effect:

<i>(In thousands)</i>	1% Increase	1% Decrease
Effect on total service and interest cost components	\$887	\$(767)

15. Risk Management Activities

Cash, cash equivalents, and customer accounts receivable are the financial instruments that potentially subject MGE to concentrations of credit risk. MGE places its cash and cash equivalents with high credit-quality financial institutions. MGE has limited concentrations of credit risk from customer accounts receivable because of the large number of customers and strong economy in its service territory.

In October 2004, MGE entered into a nonexchange-traded HDD Collar. Per the terms and conditions of this derivative agreement, MGE is subject to a floor and a ceiling based on forecasted heating degree days. If actual heating degree days exceed the ceiling, MGE is obligated to pay and if heating degree days are below the floor, MGE will receive payment. The payment or receipt under this agreement is not permitted to exceed \$1.0 million (excluding premium). The term of this agreement extends from November 1, 2004, until March 31, 2005, and the premium for this weather hedge is \$0.1 million. MGE is accounting for the HDD Collar using the intrinsic value method pursuant to the requirements of EITF No. 99-2, *Accounting for Weather Derivatives*. Through December 31, 2004, actual HDD were 1,954, resulting in a \$0.3 million gain for MGE.

MGE had an interest-rate swap agreement with a commercial bank totaling \$5.0 million for a portion of 2004, and all of 2003 and 2002. This agreement, which terminated on June 10, 2004, had a fixed rate and was backed by MGE's commercial paper. MGE recorded the changes in the fair market value currently in the income statement as required by SFAS No. 133 each quarter, which was offset by a corresponding regulatory asset or liability.

MGE purchased and sold exchange-traded option contracts to manage the cost of gas and purchased over-the-counter financial floating-to-fixed price swaps and calls to fix the price of gas for the "Winter Set-Price Firm Gas Sales Service" pilot program. These contracts have terms of January, February, and March 2005. Under MGE's natural gas risk management program, approved by the PSCW, the cost of the financial option and swap contracts (as well as the gains or losses realized) will be recovered under the PGA and will not affect net income. The fair value of these financial contracts was a liability of \$1.0 million at December 31, 2004, and an asset of \$0.7 million at December 31, 2003.

Nonperformance of counterparties to the nonexchange-traded derivatives could expose MGE to credit loss. However, MGE enters into transactions only with companies that meet or exceed strict credit guidelines.

MGE has a 22.0% ownership interest in Columbia, which is operated by Alliant. Alliant has entered into a long-term coal supply agreement with Dynegy Marketing and Trade. The contract contains certain put options, and consequently, in accordance with the terms of SFAS No. 133, the contract is recorded at fair value on the balance sheet. Gains and losses are recorded in other income with an offsetting entry to a corresponding regulatory asset or liability.

Name of Respondent Madison Gas and Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2004/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

16. Rate Matters

a. Rate proceedings

On December 21, 2004, the PSCW authorized MGE to increase 2005 electric revenues by \$27.4 million and to decrease 2005 gas revenues by \$4.2 million. The increase to electric revenues will cover rising fuel costs, commercial operation of WCCF, and increased transmission expenses.

On January 14, 2004, the PSCW authorized MGE to increase revenues by \$12.8 million. The increase covers rising fuel costs for electric generation and addresses increased system demands for both gas and electric.

Effective March 1, 2003, the PSCW authorized MGE to increase revenues by \$27.1 million. The increase covered rising fuel costs and addressed increased system demands and costs to complete a new AMR project.

Effective January 1, 2002, the PSCW authorized MGE to increase revenues by \$12.0 million. The increase was associated with a limited reopener to address specific issues affecting 2002. These issues included the full-year impact of selling its ownership interest in Kewaunee, rising fuel costs, and installing an AMR system.

b. Fuel rules

Actual electric fuel costs are subject to reconciliation to the amount approved by the PSCW in MGE's rate order covering the applicable period. Known as "fuel rules," the process can produce a fuel surcharge for MGE or require MGE to make a refund in the form of a credit, to the extent that the actual fuel costs are outside a 3.0% range higher or lower than the level authorized by the PSCW.

On August 10, 2004, the PSCW reopened MGE's current rate docket for the limited purpose of determining whether a fuel credit was due for 2004 under the fuel rules. On September 30, 2004, MGE filed an application to decrease electric rates for 2004 by \$0.0025 per kWh, reflecting its view of the credit due customers under the fuel rules. This amount was subsequently revised to \$0.00275 per kWh. Based upon these filings, MGE recorded a reduction to electric revenues to reflect the fuel credit refund in the amount of \$3.4 million for 2004. \$1.8 million of this amount was credited on customers' bills during 2004, and \$1.6 million of this amount will be refunded in January 2005.

During 2003, MGE submitted an application for a fuel cost credit. On August 14, 2003, the PSCW approved an interim fuel credit of \$0.00099 per kWh and also required a full review of the actual and forecasted costs for 2003, with MGE's fuel rates subject to refund. The fuel credit began on August 14, 2003, and ended on January 13, 2004. The fuel credit totaled \$4.4 million, of which \$1.2 million represents the interim fuel credit and \$3.2 million is the additional fuel credit, that resulted from PSCW review and was credited to customers in the first quarter of 2004. Of the \$3.2 million in additional fuel credit, \$0.4 million was from January 1 through January 13, 2004.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2004/Q4
Madison Gas and Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Effective October 24, 2002, the PSCW authorized an electric rate surcharge of \$4.5 million to recover deferred costs associated with forming ATC and ongoing incremental transmission costs during 2001 and 2002. The surcharge was in effect for a twelve-month period ending October 23, 2003 (see Footnotes 4 and 20 for additional information on ATC).

In July 2002, MGE notified the PSCW that its electric fuel costs were below the 3.0% range established in its most recent order, thus triggering a fuel credit to its customers. The fuel credit was \$1.2 million through December 31, 2002. The fuel credit continued through February 28, 2003.

17. Commitments

a. Coal Contracts

MGE has coal contracts related to the Blount plant. None of these contracts contain demand obligations. Fuel procurement for MGE's jointly owned Columbia plant is handled by Alliant, the operating company. If any minimum purchase obligations must be paid under these contracts, management believes these obligations would be considered costs of service and recoverable in rates.

b. Purchased Power Contracts

MGE has several purchased power contracts to help meet future electric supply requirements. As of December 31, 2004, MGE's total commitments for energy and purchased power contracts for capacity are estimated to be \$16.7 million in 2005, \$13.5 million in 2006, \$10.5 million in 2007, and \$9.1 million in 2008 and 2009. Management expects to recover these costs in future customer rates.

Related to the purchased power contracts, MGE has negotiated several firm transmission contracts. As of December 31, 2004, MGE's total commitments for transmission are estimated to be \$1.1 million in 2005 and 2006, \$0.8 million in 2007, and \$0.6 million in 2008 and 2009. Beginning in 2007, transmission commitments may be reduced if transmission capacity is not available. Management also expects to recover these costs in future customer rates.

On July 16, 2004, MGE signed a 20-year power purchase agreement for 40 MW of wind energy to be located near Waupun, Wisconsin. This agreement is not reflected in the purchased power commitments figures above as MGE is not currently able to estimate the related commitment as the site has not yet been constructed.

c. Natural Gas Transportation and Storage Contracts

MGE's natural gas supply, transportation, and storage contracts require fixed monthly payments for firm supply pipeline transportation and storage capacity. The pricing components of the fixed monthly payments for the transportation and storage contracts are established by FERC but may be subject to change. As of December 31, 2004, these payments are estimated to be \$14.1 million in 2005, \$14.4 million in 2006, \$14.3 million in 2007, \$14.1 million in 2008, and \$13.7 million in 2009. Management expects to recover these costs in future customer rates.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2004/Q4
Madison Gas and Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

d. Environmental

As a result of the Blount 69-kV transmission substation expansion, coal tar-contaminated soil and debris within the excavation zone are being removed and disposed of in accordance with a DNR approved "Removal Action Work Plan." MGE has paid \$1.5 million in expenses to complete this cleanup and expects to recover cleanup costs in future electric rates. Carrying costs associated with the cleanup expenditures will not be recoverable.

MGE is listed as a potentially responsible party for a site the EPA has placed on the national priorities Superfund list. The Lenz Oil site in Lemont, Illinois, was used for storing and processing waste oil for several years. This site requires clean up under the Comprehensive Environmental Response, Compensation and Liability Act. A group of companies, including MGE, is currently working on cleaning up the site.

Management believes that its share of the final cleanup costs will not result in any materially adverse effects on MGE's operations, cash flows, or financial position. Insurance may cover a portion of the cleanup costs. Management believes that the cleanup costs not covered by insurance will be recovered in current and future rates. At December 31, 2004, MGE accrued a \$0.1 million liability for this matter.

e. Chattel Paper Agreement and Other Guarantees

MGE makes available to qualifying customers a financing program for the purchase and installation of energy-related equipment that will provide more efficient use of utility service at the customer's property. MGE is party to a chattel paper purchase agreement with a financial institution under which it can sell or finance an undivided interest with recourse, in up to \$10.0 million of the financing program receivables, until August 31, 2005. At December 31, 2004, 2003, and 2002, respectively, MGE had sold a \$6.0 million, \$6.1 million, and \$6.8 million interest in these receivables, which MGE accounted for as a sale under SFAS No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities - a Replacement of FASB Statement No. 125*. MGE retains the servicing responsibility for these receivables.

MGE maintains responsibility for collecting and remitting loan payments from customers to the financial institution and does not retain any interest in the assets sold to the financial institution. As of December 31, 2004, 2003, and 2002, MGE has recorded a servicing asset of \$0.2 million, \$0.3 million, and \$0.2 million, respectively. In 2004, 2003, and 2002, gains of \$0.1 million, \$0.1 million, and \$0.2 million, respectively, were recognized in connection with the sale of loan assets. The servicing asset recognized and the amount amortized in 2004 was \$0.0 million. The loan assets are sold to the financial institution at cost, which approximates fair value in view of their market rates of interest. During 2004, 2003, and 2002, MGE received approximately \$1.2 million, \$1.3 million, and \$3.3 million, respectively, from the financial institution for the sale of loan assets. During those same years, payments of \$1.9 million, \$1.6 million, and \$2.4 million, respectively, were made by MGE to the financial institution.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Madison Gas and Electric Company			2004/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

MGE would be required to perform under the guarantee if the customer defaulted on their loan. The energy-related equipment installed at the customer sites is used to secure the customer loans. The length of the MGE guarantee to the financial institution varies from one to ten years depending on the term of the customer loan. Principal payments for the next five years on the loans are \$0.8 million in 2005 and 2006, \$0.7 million in 2007, \$0.9 million in 2008, and \$1.3 million in 2009.

f. WCCF Purchase Commitments

MGE has entered into various contracts for the purchase of gas and steam turbines and miscellaneous equipment for the WCCF. Most of these contracts have been assigned or are in the process of being assigned to MGE Construct.

g. Leases

MGE has noncancelable operating leases, primarily for combustion turbines, trains, and computer equipment. The operating leases generally contain renewal options for periods ranging from one to ten years and require MGE to pay all executory costs such as maintenance and insurance.

Future minimum rental payments at December 31, 2004, under agreements classified as operating leases with noncancellable terms in excess of one year are as follows:

	<i>(In thousands)</i>	
2005		\$ 2,159
2006		1,915
2007		1,472
2008		1,269
2009		1,268
Thereafter		<u>7,660</u>
Total minimum future lease payments		<u>\$15,743</u>

Rental expense under operating leases totaled \$2.4 million for 2004, \$2.1 million for 2003, and \$2.1 million for 2002.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Madison Gas and Electric Company			2004/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

18. Asset Retirement Obligations

Effective January 1, 2003, MGE recorded an obligation for the fair value of its legal liability for asset retirement obligations associated with removing an electric substation, a combustion turbine generating unit, wind generating facilities, and photovoltaic generating facilities, all of which are located on property not owned by MGE and would be removed upon the ultimate end of the lease. At December 31, 2004, this liability is estimated at \$1.5 million and is included in other deferred liabilities.

MGE also may have asset retirement obligations relating to various assets, such as combustion turbine generating units, small distributed generating units, aboveground and underground storage tanks, facilities located at Columbia (co-owned with Alliant and WPSC), and certain electric and gas distribution facilities. These facilities are generally located on property owned by third parties, on which MGE is permitted to operate by lease, permit, easement, license, or service agreement, but also include some facilities located on property owned by MGE. The asset retirement obligations associated with these facilities cannot be reasonably determined due to the indeterminate life of the related assets.

The pro forma asset retirement obligation MGE would have recognized as of January 1, 2002, had MGE implemented SFAS No. 143 as of that date, was approximately \$1.2 million based on the information, assumptions, and interest rates as of January 1, 2003, used to determine the \$1.4 million liability recognized upon initial adoption of SFAS No. 143. Because MGE's regulators are allowing these costs to be recovered in future rates, adoption of SFAS No. 143 in the first quarter of 2002 would have had no impact on net income and earnings per share of common stock. Accordingly, pro forma impacts are not presented.

The following table shows costs as of December 31, 2003, and changes to the asset retirement obligation and accumulated depreciation through December 31, 2004.

	(a)	(b)	(c) (a + b)	(d)
<i>(In thousands)</i>	Original Asset Retirement Obligation	Accumulated Accretion	Asset Retirement Obligation	Accumulated Depreciation-Related Asset
Balance, Dec. 31, 2003	\$686	\$675	\$1,361	\$175
Changes through Dec. 31, 2004	27	86	113	29
Balance, Dec. 31, 2004	\$713	\$761	\$1,474	\$204

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Madison Gas and Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

MGE has a regulatory asset for the total accumulated accretion and total accumulated depreciation related to its asset retirement obligation.

For financial reporting purposes, accumulated costs of removal that are non-SFAS No. 143 obligations are classified within the financial statements as regulatory liabilities. In accordance with FERC reporting requirements, removal costs that do not have an associated legal asset retirement obligation are recognized as a component of accumulated depreciation, which differs from GAAP requirements. At December 31, 2004 and 2003, there were \$17.7 million and \$18.2 million of these costs.

19. WCCF

MGE Energy, through MGE Power, MGE Power West Campus, and MGE Construct, is building a natural gas-fired cogeneration facility on the UW-Madison campus. As planned, the facility will have capacity to produce 20,000 tons of chilled water, 500,000 pounds per hour of steam, and approximately 150 MW of electricity. The facility will be jointly owned by the UW and MGE Power West Campus. The UW will own a controlling interest in the chilled-water and steam plants, which will be used to meet the growing needs for air-conditioning and steam-heat capacity for the UW-Madison campus. MGE Power West Campus will own a controlling interest in the electric generation plant, which will be used to provide electricity to MGE's customers. MGE entered into a lease with MGE Power West Campus to lease the assets owned by MGE Power West Campus and will operate the entire facility. MGE Construct will be responsible for the construction of the facility. A PSCW order approving the issuance of a CPCN for the WCCF was received on October 9, 2003. Construction on the project commenced in October of 2003, and it is estimated that the project will be completed by 2nd quarter 2005. In 2004 and 2003, MGE Construct received service fees of \$2.7 million and \$1.0 million (pretax), respectively, from the State in relation to its role as EPC contractor for WCCF. The total fee of \$5.0 million is being recognized as services are rendered and will be collected over a 22-month period.

In accordance with the WCCF lease between MGE Power West Campus and MGE, MGE Power West Campus began billing MGE for carrying costs on WCCF. The carrying costs billed to MGE started on January 29, 2004, the date MGE received approval from the PSCW to defer these costs, and will continue through construction of the project. Carrying costs totaled \$8.3 million for the year ended December 31, 2004.

MGE Energy, MGE Power West Campus, and MGE Construct have assumed certain risks related to some of the executed agreements. In the EPC Agreement, MGE Power West Campus is responsible for cost overruns.

The expected cost to construct WCCF is approximately \$185 million in total, of which \$105 million is MGE Power West Campus' estimated portion. As of December 31, 2004, MGE Power West Campus had incurred \$95.7 million of costs on the project, which is reflected in construction work in progress on MGE Energy's and MGE's consolidated balance sheets. These costs represent amounts paid for equipment as well as other costs associated with construction of the facility.

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Madison Gas and Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

20. Related Party Transactions

ATC

On November 21, 2002, MGE and ATC entered into an interconnection agreement related to transmission system upgrades for WCCF. MGE issued to ATC a "Notice to Proceed for the Procurement of the Equipment" for the system upgrades. MGE has advanced funds for construction of transmission equipment and work done by ATC related to WCCF in the amounts of \$2.3 million and \$9.2 million in 2004 and 2003, respectively. Total funds advanced to ATC for this project are \$12.8 million. MGE does not expect to make any additional advances to ATC in 2005 related to WCCF. MGE will be reimbursed by ATC for all previously advanced funds plus interest, upon completion of the project.

During 2004, 2003, and 2002, MGE paid ATC \$12.7 million, \$9.1 million, and \$7.7 million, respectively for transmission services. MGE also provides a variety of operational, maintenance, and project management work for ATC, which is reimbursed by ATC. At December 31, 2004 and 2003, MGE had a payable balance to ATC of \$18.5 million and \$20.2 million, respectively. At December 31, 2004 and 2003, MGE had a receivable due from ATC of \$10.6 million and \$14.0 million, respectively (including funds advanced to ATC related to WCCF). For additional discussion on MGE's relationship with ATC see Footnote 4.

21. Statement of Cash Flows

MGE considers cash equivalents to be those investments that are highly liquid with original maturity dates of less than three months.

Supplementary noncash investing items and cash paid/(received) for noncash investing and financing items for the years ended December 31 were as follows:

<i>(In thousands)</i>	<u>2004</u>	<u>2003</u>
Assignment of liabilities from MGE Power to MGE Power West Campus	\$0	\$46,618
Assignment of assets from MGE Power to MGE Power West Campus	0	(46,618)

22. Distribution of Net Assets

The distribution of assets between electric and gas is as follows:

<i>(In thousands)</i>	<u>2004</u>	<u>2003</u>
Electric	\$566,900	\$513,899
Gas	181,643	160,639
Assets not allocated	78,005	47,580
Totals	<u>\$826,548</u>	<u>\$722,118</u>

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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (f) common function.					
Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)		
1	Utility Plant				
2	In Service				
3	Plant in Service (Classified)	855,421,933	581,822,827		
4	Property Under Capital Leases				
5	Plant Purchased or Sold	-663,654	-848,045		
6	Completed Construction not Classified				
7	Experimental Plant Unclassified				
8	Total (3 thru 7)	854,758,279	580,974,782		
9	Leased to Others				
10	Held for Future Use	20,051	20,051		
11	Construction Work in Progress	127,272,369	22,908,513		
12	Acquisition Adjustments				
13	Total Utility Plant (8 thru 12)	982,050,699	603,903,346		
14	Accum Prov for Depr, Amort, & Depl	392,287,268	245,594,629		
15	Net Utility Plant (13 less 14)	589,763,431	358,308,717		
16	Detail of Accum Prov for Depr, Amort & Depl				
17	In Service:				
18	Depreciation	392,287,268	245,594,629		
19	Amort & Depl of Producing Nat Gas Land/Land Right				
20	Amort of Underground Storage Land/Land Rights				
21	Amort of Other Utility Plant				
22	Total In Service (18 thru 21)	392,287,268	245,594,629		
23	Leased to Others				
24	Depreciation				
25	Amortization and Depletion				
26	Total Leased to Others (24 & 25)				
27	Held for Future Use				
28	Depreciation				
29	Amortization				
30	Total Held for Future Use (28 & 29)				
31	Abandonment of Leases (Natural Gas)				
32	Amort of Plant Acquisition Adj				
33	Total Accum Prov (equals 14) (22,26,30,31,32)	392,287,268	245,594,629		

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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
220,856,252				52,742,854	3
					4
184,391					5
					6
					7
221,040,643				52,742,854	8
					9
					10
6,319,411	52,373	95,671,830		2,320,242	11
					12
227,360,054	52,373	95,671,830		55,063,096	13
121,871,272	2,892			24,818,475	14
105,488,782	49,481	95,671,830		30,244,621	15
					16
					17
121,871,272	2,892			24,818,475	18
					19
					20
					21
121,871,272	2,892			24,818,475	22
					23
					24
					25
					26
					27
					28
					29
					30
					31
					32
121,871,272	2,892			24,818,475	33

Name of Respondent Madison Gas and Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)				
<p>1. Report below the original cost of electric plant in service according to the prescribed accounts.</p> <p>2. In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.</p> <p>3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.</p> <p>4. For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.</p> <p>5. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.</p> <p>6. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)</p>				
Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)	
1	1. INTANGIBLE PLANT			
2	(301) Organization			
3	(302) Franchises and Consents			
4	(303) Miscellaneous Intangible Plant			
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)			
6	2. PRODUCTION PLANT			
7	A. Steam Production Plant			
8	(310) Land and Land Rights	430,357	15,400	
9	(311) Structures and Improvements	30,264,120	671,024	
10	(312) Boiler Plant Equipment	93,714,382	5,496,055	
11	(313) Engines and Engine-Driven Generators			
12	(314) Turbogenerator Units	29,364,894	3,266,952	
13	(315) Accessory Electric Equipment	7,486,887	160,341	
14	(316) Misc. Power Plant Equipment	3,446,962	97,885	
15	(317) Asset Retirement Costs for Steam Production			
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	164,707,602	9,707,657	
17	B. Nuclear Production Plant			
18	(320) Land and Land Rights			
19	(321) Structures and Improvements			
20	(322) Reactor Plant Equipment			
21	(323) Turbogenerator Units			
22	(324) Accessory Electric Equipment			
23	(325) Misc. Power Plant Equipment			
24	(326) Asset Retirement Costs for Nuclear Production			
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)			
26	C. Hydraulic Production Plant			
27	(330) Land and Land Rights			
28	(331) Structures and Improvements			
29	(332) Reservoirs, Dams, and Waterways			
30	(333) Water Wheels, Turbines, and Generators			
31	(334) Accessory Electric Equipment			
32	(335) Misc. Power Plant Equipment			
33	(336) Roads, Railroads, and Bridges			
34	(337) Asset Retirement Costs for Hydraulic Production			
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)			
36	D. Other Production Plant			
37	(340) Land and Land Rights	10,616		
38	(341) Structures and Improvements	4,667,002	12,031	
39	(342) Fuel Holders, Products, and Accessories	1,168,293	460,909	
40	(343) Prime Movers	7,569,732	4,810,233	
41	(344) Generators	53,990,496	-1,151,904	
42	(345) Accessory Electric Equipment	3,257,023	-32,257	
43	(346) Misc. Power Plant Equipment	474,219	1,338	

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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

7. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

8. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirement of these pages.

9. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				1
				2
				3
				4
				5
				6
				7
			445,757	8
265,267			30,669,877	9
450,458			98,759,979	10
				11
590,869			32,040,977	12
55,245			7,591,983	13
44,618			3,500,229	14
				15
1,406,457			173,008,802	16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31
				32
				33
				34
				35
				36
			10,616	37
3,382			4,675,651	38
74,529			1,554,673	39
12,290			12,367,675	40
			52,838,592	41
657			3,224,109	42
			475,557	43

Name of Respondent Madison Gas and Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)					
Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)		
44	(347) Asset Retirement Costs for Other Production	649,230	27,396		
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)	71,786,611	4,127,746		
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	236,494,213	13,835,403		
47	3. TRANSMISSION PLANT				
48	(350) Land and Land Rights	847,428			
49	(352) Structures and Improvements	3,388,939			
50	(353) Station Equipment	27,105,626			
51	(354) Towers and Fixtures				
52	(355) Poles and Fixtures	599,002			
53	(356) Overhead Conductors and Devices	529,497			
54	(357) Underground Conduit	73,073			
55	(358) Underground Conductors and Devices	799,681			
56	(359) Roads and Trails				
57	(359.1) Asset Retirement Costs for Transmission Plant				
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	33,343,246			
59	4. DISTRIBUTION PLANT				
60	(360) Land and Land Rights	782,946	2,186		
61	(361) Structures and Improvements	497,988	1,079,204		
62	(362) Station Equipment	15,038,605	7,075,690		
63	(363) Storage Battery Equipment				
64	(364) Poles, Towers, and Fixtures	18,736,565	2,339,283		
65	(365) Overhead Conductors and Devices	22,072,225	2,414,229		
66	(366) Underground Conduit	32,623,736	1,972,163		
67	(367) Underground Conductors and Devices	62,752,199	6,947,213		
68	(368) Line Transformers	39,518,438	2,017,283		
69	(369) Services	27,047,968	1,423,705		
70	(370) Meters	24,899,066	1,038,169		
71	(371) Installations on Customer Premises	4,105,662	63,306		
72	(372) Leased Property on Customer Premises				
73	(373) Street Lighting and Signal Systems	2,120,495	156,298		
74	(374) Asset Retirement Costs for Distribution Plant	36,564			
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	250,232,457	26,528,729		
76	5. GENERAL PLANT				
77	(389) Land and Land Rights				
78	(390) Structures and Improvements				
79	(391) Office Furniture and Equipment				
80	(392) Transportation Equipment				
81	(393) Stores Equipment				
82	(394) Tools, Shop and Garage Equipment	1,521,720	135,879		
83	(395) Laboratory Equipment	475,489			
84	(396) Power Operated Equipment				
85	(397) Communication Equipment	23,964,142	15,367		
86	(398) Miscellaneous Equipment				
87	SUBTOTAL (Enter Total of lines 77 thru 86)	25,961,351	151,246		
88	(399) Other Tangible Property				
89	(399.1) Asset Retirement Costs for General Plant				
90	TOTAL General Plant (Enter Total of lines 87, 88 and 89)	25,961,351	151,246		
91	TOTAL (Accounts 101 and 106)	546,031,267	40,515,378		
92	(102) Electric Plant Purchased (See Instr. 8)				
93	(Less) (102) Electric Plant Sold (See Instr. 8)				
94	(103) Experimental Plant Unclassified				
95	TOTAL Electric Plant in Service (Enter Total of lines 91 thru 94)	546,031,267	40,515,378		

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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
			676,626		44
90,858			75,823,499		45
1,497,315			248,832,301		46
					47
			847,428		48
4,721			3,384,218		49
184,631			26,920,995		50
					51
			599,002		52
			529,497		53
			73,073		54
			799,681		55
					56
					57
189,352			33,153,894		58
					59
			785,132		60
774			1,576,418		61
2,765			22,111,530		62
					63
279,694			20,796,154		64
472,234			24,014,220		65
62,410			34,533,489		66
757,017			68,942,395		67
1,142,817			40,392,904		68
73,171			28,398,502		69
			25,937,235		70
26,788			4,142,180		71
					72
22,353			2,254,440		73
			36,564		74
2,840,023			273,921,163		75
					76
					77
					78
					79
					80
					81
			1,657,599		82
			475,489		83
					84
197,128			23,782,381		85
					86
197,128			25,915,469		87
					88
					89
197,128			25,915,469		90
4,723,818			581,822,827		91
					92
					93
					94
4,723,818			581,822,827		95

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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ELECTRIC PLANT HELD FOR FUTURE USE (Account 105)

1. Report separately each property held for future use at end of the year having an original cost of \$250,000 or more. Group other items of property held for future use.
2. For property having an original cost of \$250,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

Line No.	Description and Location Of Property (a)	Date Originally Included in This Account (b)	Date Expected to be used in Utility Service (c)	Balance at End of Year (d)
1	Land and Rights:			
2	Various	NA	NA	20,051
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21	Other Property:			
22	None			
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47	Total			20,051

Name of Respondent Madison Gas and Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
CONSTRUCTION WORK IN PROGRESS -- ELECTRIC (Account 107)				
1. Report below descriptions and balances at end of year of projects in process of construction (107) 2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts) 3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.				
Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)		
1	Col. 1 and 2 Weld Shop - Columbia Energy Center	105,134		
2	Col. 1 Acoustic Pyrometers - Columbia Energy Center	130,308		
3	Col. 1 and 2 Distributed Controls System - Columbia Energy Center	657,617		
4	Col. 2 Reheater Replacement - Columbia Energy Center	278,524		
5	Col. 2 Air Flow Instrumentation - Columbia Energy Center	168,509		
6	Col. 1 Replace Controls System - Columbia Energy Center	115,203		
7	Upgrade Boiler No. 9 Elevator - Blount Station	129,701		
8	Upgrade Turbine No. 6 Instrumentation - Blount Station	108,862		
9	Boiler No. 8 Combustion Improvement - Blount Station	103,347		
10	Turbine No. 6 Rebuild - Blount Station	1,253,704		
11	Boiler No. 8 Controls Upgrade - Blount Station	474,909		
12	Upgrade Boiler Control Network - Blount Station	192,706		
13	Distributed Generation	737,078		
14	Arresting and Grounding - West Middleton 1334	102,115		
15	Capacitor Stations to Support Transmission Voltage	289,704		
16	System Tie - Siggelkow Road to Marsh Road	143,598		
17	Duct Package - Pheasant Branch Substation	223,579		
18	Conduit Package - East Washington Avenue	782,687		
19	Convert Overhead to Underground - North Pinckney Street	158,479		
20	Extend Feeders - Pheasant Branch Substation	136,181		
21	Voltage Conversion - Olin Avenue	483,207		
22	Voltage Conversion - Yahara West	308,753		
23	Voltage Conversion - Yahara East	349,876		
24	Cable Replacement - Vilas Zoo	103,333		
25	Cable Replacement - Wild Oak Circle	126,956		
26	Voltage Conversion - Schroeder Road North	332,621		
27	Relocate Poles - Highway M	177,402		
28	Extend Feeders - Tokay Substation	123,942		
29	Replace Breakers - Sycamore Substation	404,075		
30	Blount Distribution Substation	1,539,625		
31	Projects Under \$100,000	12,666,778		
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43	TOTAL	22,908,513		

Name of Respondent Madison Gas and Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)					
<p>1. Explain in a footnote any important adjustments during year.</p> <p>2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property.</p> <p>3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.</p> <p>4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.</p>					
Section A. Balances and Changes During Year					
Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	234,433,955	234,433,955		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	16,678,648	16,678,648		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing				
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote):				
9					
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	16,678,648	16,678,648		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	4,723,818	4,723,818		
13	Cost of Removal	2,501,988	2,501,988		
14	Salvage (Credit)	354,060	354,060		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	6,871,746	6,871,746		
16	Other Debit or Cr. Items (Describe, details in footnote):	1,353,772	1,353,772		
17					
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	245,594,629	245,594,629		
Section B. Balances at End of Year According to Functional Classification					
20	Steam Production	105,622,374	105,622,374		
21	Nuclear Production				
22	Hydraulic Production-Conventional				
23	Hydraulic Production-Pumped Storage				
24	Other Production	14,464,618	14,464,618		
25	Transmission	16,370,010	16,370,010		
26	Distribution	84,929,413	84,929,413		
27	General	24,208,214	24,208,214		
28	TOTAL (Enter Total of lines 20 thru 27)	245,594,629	245,594,629		

Name of Respondent Madison Gas and Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2004/Q4
FOOTNOTE DATA			

Schedule Page: 219 Line No.: 16 Column: c

	(DR)	CR
Change in retirement work in progress		1,324,237
Asset Retirement Cost		29,535
Total		\$1,353,772

Name of Respondent Madison Gas and Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
MATERIALS AND SUPPLIES					
<p>1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.</p> <p>2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.</p>					
Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)	
1	Fuel Stock (Account 151)	5,054,095	5,523,233	Electric	
2	Fuel Stock Expenses Undistributed (Account 152)				
3	Residuals and Extracted Products (Account 153)				
4	Plant Materials and Operating Supplies (Account 154)				
5	Assigned to - Construction (Estimated)	3,417,167	4,797,757	Electric and Gas	
6	Assigned to - Operations and Maintenance				
7	Production Plant (Estimated)	2,744,523	2,883,690	Electric	
8	Transmission Plant (Estimated)	88,295	54,734	Electric	
9	Distribution Plant (Estimated)	271,808	459,770	Electric and Gas	
10	Assigned to - Other (provide details in footnote)	19,582	18,580	Electric and Gas	
11	TOTAL Account 154 (Enter Total of lines 5 thru 10)	6,541,375	8,214,531		
12	Merchandise (Account 155)	213,142	218,651	Electric and Gas	
13	Other Materials and Supplies (Account 156)				
14	Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util)				
15	Stores Expense Undistributed (Account 163)	124,038	481,381	Electric and Gas	
16					
17					
18					
19					
20	TOTAL Materials and Supplies (Per Balance Sheet)	11,932,650	14,437,796		

Name of Respondent Madison Gas and Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
Allowances (Accounts 158.1 and 158.2)					
1. Report below the particulars (details) called for concerning allowances. 2. Report all acquisitions of allowances at cost. 3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts. 4. Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k). 5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.					
Line No.	Allowances Inventory (Account 158.1) (a)	Current Year		2005	
		No. (b)	Amt. (c)	No. (d)	Amt. (e)
1	Balance-Beginning of Year	9,134.00	972,681		
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)	9,217.00			
5	Returned by EPA				
6					
7					
8	Purchases/Transfers:				
9					
10					
11					
12					
13					
14					
15	Total				
16					
17	Relinquished During Year:				
18	Charges to Account 509	14,740.00	780,655		
19	Other:				
20					
21	Cost of Sales/Transfers:				
22					
23					
24					
25					
26					
27					
28	Total				
29	Balance-End of Year	3,611.00	192,026		
30					
31	Sales:				
32	Net Sales Proceeds (Assoc. Co.)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
	Allowances Withheld (Acct 158.2)				
36	Balance-Beginning of Year				
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales				
40	Balance-End of Year				
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)				
45	Gains				
46	Losses				

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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Allowances (Accounts 158.1 and 158.2) (Continued)

6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.

7. Report on Lines 8-14 the names of vendors/transferrors of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).

8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies.

9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.

10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.

2006		2007		Future Years		Totals		Line No.
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	
						9,134.00	972,681	1
								2
								3
						9,217.00		4
								5
								6
								7
								8
								9
								10
								11
								12
								13
								14
								15
								16
						14,740.00	780,655	17
								18
								19
								20
								21
								22
								23
								24
								25
								26
								27
								28
						3,611.00	192,026	29
								30
								31
								32
								33
								34
								35
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								45
								46

Name of Respondent Madison Gas and Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4	
OTHER REGULATORY ASSETS (Account 182.3)						
1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable. 2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$50,000 which ever is less), may be grouped by classes. 3. For Regulatory Assets being amortized, show period of amortization.						
Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS Written off During the Quarter/Year Account Charged (d) Written off During the Period Amount (e)		Balance at end of Current Quarter/Year (f)
1	Pension Costs Phase-In	409,509		186	112,524	296,985
2						
3	Coal Contract Derivative	276,875	2,395,106	421	1,598,533	1,073,448
4						
5	Environmental Cleanup (f)	1,825,896	1,576,717	various	1,339,106	2,063,507
6						
7	DePere Wind Project	47,622		549	47,622	
8						
9	Unamortized Debt Expense-2022/2012 (b)	416,550		428	50,491	366,059
10	Unamortized Debt Expense-2022/2032 (c)	792,427		428	28,051	764,376
11	Unamortized Debt Expense-2027B/2012IRB (d)	1,278,832		428	53,846	1,224,986
12	Unamortized Debt Expense-2027A/2034/IRB (a)	372,748		428	12,122	360,626
13						
14	Generation Carrying Costs		10,875,079	234	10,843,381	31,698
15						
16	Other Regulatory Assets - OPRB		4,625,555		4,625,555	
17						
18	Tax Recovery Related to AFUDC Equity	2,740,089	367,598	various	239,129	2,868,558
19						
20	American Transmission Company					
21	(a) Wheeling Fees (e)	(23,112)	91,098			67,986
22						
23	Decontamination Decommissions	846,045		254	267,041	579,004
24						
25	Bond Interest Arbitrage (c)	809,596		427	34,332	775,264
26						
27	Asset Retirement Obligation	850,125	115,414			965,539
28						
29	Minimum Pension Liability		9,781,726			9,781,726
30						
31	Tax Recovery for Prior Year Flowthrough (g)	3,205,235			1,326,304	1,878,931
32						
33	(a) Amortized over 32 years					
34	(b) Amortized over 10 years					
35	(c) Amortized over 30 years					
36	(d) Amortized for 25 years					
37	(e) Amortized over 1 year					
38	(f) Amortized over 4 years					
39	(g) Amortized over 15 years					
40						
41						
42						
43						
44	TOTAL	13,848,437	29,828,293		20,578,037	23,098,693

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Madison Gas and Electric Company			2004/Q4
FOOTNOTE DATA			

Schedule Page: 232 Line No.: 29 Column: b

On December 21, 2004, the PSCW issued a final order which concluded that minimum pension liabilities related to regulated operations should be classified as regulatory assets within the consolidated balance sheet. As such, the minimum pension liability required for MGE's pension plan has been recorded as a regulatory asset at December 31, 2004, rather than within other comprehensive income as prescribed by SFAS No. 87.

Schedule Page: 232 Line No.: 31 Column: b

The PSCW has allowed rate recovery of deferred taxes on all temporary differences since June 1991 when the FERC Uniform System of Accounts was adopted. Unrecovered deferred taxes in existence at the time of adoption were authorized for rate of recovery over 15 years through 2006.

Name of Respondent Madison Gas and Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4	
MISCELLANEOUS DEFERRED DEBITS (Account 186)						
1. Report below the particulars (details) called for concerning miscellaneous deferred debits. 2. For any deferred debit being amortized, show period of amortization in column (a) 3. Minor item (1% of the Balance at End of Year for Account 186 or amounts less than \$50,000, whichever is less) may be grouped by classes.						
Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS Account Charged (d) Amount (e)		Balance at End of Year (f)
1	Special Billing Projects	14,574,067	14,578,743	various	26,031,466	3,121,344
2						
3	Cash Surrender Value of					
4	Officers' Life Ins. Policies	127,131		426	51,254	75,877
5						
6	Economic Development					
7	Incentive (b)	110,000		421	20,000	90,000
8						
9	University Research Park (c)	539,167		426	53,333	485,834
10						
11	Nonqualified Deferred Comp.	5,356,668		254	663,897	4,692,771
12						
13	Tax Audit Settlements (a)	40,655		431/254	40,655	
14						
15	WI Department of Revenue	11,156	43,984	431/254	27,570	27,570
16						
17	Restricted Stock Award (d)	33,103		926	33,103	
18						
19	Shared Savings Interest Rate					
20	Differential	267,850	83,825	various	111,648	240,027
21						
22	Gas Supply Derivative	1,114,763		421/253	1,114,763	
23						
24	Vendor Sales Tax Adjustment	43,984			43,984	
25						
26	(a) Amortized over 24 months					
27	(b) Amortized over 15 years					
28	(c) Amortized over 48 months					
29	(d) Amortized over 36 months					
30						
31						
32						
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41						
42						
43						
44						
45						
46						
47	Misc. Work in Progress					
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	22,218,544				8,733,423

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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ACCUMULATED DEFERRED INCOME TAXES (Account 190)

- Report the information called for below concerning the respondent's accounting for deferred income taxes.
- At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Description and Location (a)	Balance of Beginning of Year (b)	Balance at End of Year (c)
1	Electric		
2	SFAS 109 Deferred Tax Account	3,784,835	3,296,579
3	Deferred Compensation	2,083,907	2,298,935
4	Vacation Pay	881,324	846,525
5	SFAS 106 Costs	2,541,215	3,172,220
6	Bad Debts	432,547	411,426
7	Other	2,948,725	4,457,761
8	TOTAL Electric (Enter Total of lines 2 thru 7)	12,672,553	14,483,446
9	Gas		
10	Deferred Compensation	1,217,614	1,333,397
11	Vacation Pay	509,935	481,813
12	SFAS 106 Costs	1,368,339	1,708,112
13	Stored Gas	37,983	32,614
14	Bad Debts	649,487	678,801
15	Other	2,911,618	4,093,232
16	TOTAL Gas (Enter Total of lines 10 thru 15)	6,694,976	8,327,969
17	Other (Specify)	2,663,699	3,342,358
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	22,031,228	26,153,773

Notes

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2004/Q4
Madison Gas and Electric Company			
FOOTNOTE DATA			

Schedule Page: 234 Line No.: 7 Column: a

SFAS 112 Costs	\$ 64,694	\$ 109,304
Patronage Dividends	2,448	2,751
Service Territory Disputes	17,508	17,508
Conservation Escrow	97,144	(171,423)
Preferred Stock Redemption	40,907	40,907
Capital Stock Expenses	45,135	45,135
Restricted Stock	36,418	---
Tax Settlements	75,606	37,806
Refuse Hideaway	441,485	40,135
NOx Escrow	507,189	507,189
Nonqualified Deferred Compensation Plan	1,454,533	3,717,977
Accrued Lawsuit Liabilities	165,658	35,219
Hydrologic Model	---	75,253
Total	\$2,948,725	\$4,457,761

Schedule Page: 234 Line No.: 15 Column: a

SFAS 112 Costs	\$ 34,837	\$ 58,858
Patronage Dividends	1,632	1,833
Service Territory Disputes	9,428	9,428
Conservation Escrow	(285,557)	(70,267)
Preferred Stock Redemption	22,026	22,026
Capital Stock Expenses	24,304	24,304
Restricted Stock	17,933	---
Tax Settlements	37,238	18,615
Nonqualified Deferred Compensation Plan	818,175	2,091,361
SFAS 109 Deferred Tax Account	2,142,403	1,918,111
Accrued Lawsuit Liabilities	89,199	18,963
Total	\$2,911,618	\$4,093,232

Schedule Page: 234 Line No.: 17 Column: a

Bad Debts	\$ 5,240	\$ 5,415
Deferred Charges - Interest Expense	184,873	177,205
Accrued Donations	702,362	706,633
State Tax Operating Loss Carryovers	444,950	420,967
Valuation Allowance Related to State Tax Operating Loss Carryovers	(368,092)	(367,889)
Investment in ATC	1,320,541	1,212,805
SFAS 133 Costs	59,581	961,277
Dynegy Contract	51,543	27,150
Tax Settlements	262,701	85,900
Investment in Third Wave	---	43,547
Investment in VIW III	---	69,348
Total	\$2,663,699	\$3,342,358

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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CAPITAL STOCKS (Account 201 and 204)

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

Line No.	Class and Series of Stock and Name of Stock Series (a)	Number of shares Authorized by Charter (b)	Par or Stated Value per share (c)	Call Price at End of Year (d)
1	Common Stock	50,000,000	1.00	
2				
3				
4				
5				
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Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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CAPITAL STOCKS (Account 201 and 204) (Continued)

3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.
4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.
5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.
- Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.
		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
17,347,889	17,347,889					1
						2
						3
						4
						5
						6
						7
						8
						9
						10
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Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)

Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, Page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries effecting such change.

- (a) Donations Received from Stockholders (Account 208)-State amount and give brief explanation of the origin and purpose of each donation.
 (b) Reduction in Par or Stated value of Capital Stock (Account 209): State amount and give brief explanation of the capital change which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.
 (c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210): Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.
 (d) Miscellaneous Paid-in Capital (Account 211)-Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	Account 209, Reduction in Par or Stated Value of Capital Stock -	
2	Class: Common Stock	
3	Reduction in Par Value from \$8 per share to \$1 per share	112,558,026
4		
5	Account 211, Miscellaneous Paid-In Capital -	
6	Capital infusion from parent company, MGE Energy, Inc.	44,635,354
7		
8	Minority Interest	40,377,706
9	See Footnote 9	
10		
11		
12		
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39		
40	TOTAL	197,571,086

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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LONG-TERM DEBT (Account 221, 222, 223 and 224)

- Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Recquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.
- In column (a), for new issues, give Commission authorization numbers and dates.
- For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
- For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
- For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
- In column (b) show the principal amount of bonds or other long-term debt originally issued.
- In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
- For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
- Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1	ACCOUNT 221, FIRST MORTGAGE BONDS:		
2	7.70%, 2028 Series	25,000,000	1,437,652
3			348,746
4	SUBTOTAL	25,000,000	1,786,398
5			
6	ACCOUNT 224, OTHER LONG-TERM DEBT		
7	6.12% Medium Term Notes (PSCW Docket 3270-SB-125 dated 8/14/03)	20,000,000	1,103,959
8	6.91%, Interest Rate Swap Agreement	5,000,000	
9	6.02%, Medium Term Notes	30,000,000	410,422
10	7.49%, Medium Term Notes	15,000,000	108,046
11	5.875%, Unsecured Notes, Industrial Revenue Bonds	28,000,000	936,616
12			653,895
13	4.875%, Unsecured Notes, Industrial Revenue Bonds	19,300,000	653,705
14			190,883
15	6.58%, Medium Term Notes	15,000,000	792,546
16			101,885
17	7.12%, Medium Term Notes	25,000,000	1,337,395
18			169,809
19	5.26%, Unsecured Notes	20,000,000	140,581
20			
21	Variable %, Medium Term Notes	15,000,000	55,292
22			
23	5.68%, Secured Notes (MGE Power West Campus Debt - See Note 2)	30,000,000	428,121
24			
25	SUBTOTAL	222,300,000	7,083,155
26			
27			
28			
29			
30			
31			
32			
33	TOTAL	247,300,000	8,869,553

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
						1
02-15-93	02-15-28	01-01-95	02-15-28	1,200,000	103,950	2
						3
				1,200,000	103,950	4
						5
						6
09-09-03	02-15-28	11-01-03	02-15-28	20,000,000	1,224,000	7
06-10-97	06-10-04				154,515	8
09-14-98	09-15-08	01-01-99	09-15-08	30,000,000	1,806,000	9
09-20-00	09-20-07	03-01-01	09-20-07	15,000,000	1,123,500	10
04-27-02	10-01-34	05-01-02	10-01-34	28,000,000	1,679,332	11
						12
04-27-02	10-01-12	05-01-02	10-01-27	19,300,000	940,875	13
						14
04-01-02	04-01-12	05-01-02	04-01-12	15,000,000	987,000	15
						16
04-01-02	04-01-32	05-01-02	04-01-32	25,000,000	1,780,000	17
						18
10-01-02	10-01-17	01-01-03	10-01-17	20,000,000	1,052,000	19
						20
11-27-02	11-26-04	01-01-03	11-26-04		211,164	21
						22
09-30-03	09-25-33	11-01-03	09-25-33	30,000,000	1,732,400	23
						24
				202,300,000	12,690,786	25
						26
						27
						28
						29
						30
						31
						32
				203,500,000	12,794,736	33

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.
3. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 117)	32,184,162
2		
3		
4	Taxable Income Not Reported on Books	
5		
6		
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10	Current federal income tax accrual, net of investment tax credit	
11	restored and renewable electricity production credit	7,543,160
12	Nondeductible expenses	19,722,844
13		
14	Income Recorded on Books Not Included in Return	
15		
16		
17		
18		
19	Deductions on Return Not Charged Against Book Income	
20	Additional deductions deferred on books	18,626,248
21	Depreciation differences	16,714,866
22		
23		
24		
25		
26		
27	Federal Tax Net Income	24,109,052
28	Show Computation of Tax:	
29	Tax at 35%	8,438,168
30	Investment tax credit restored	-502,500
31	Renewable electricity production credit	-392,508
32		
33	Total	7,543,160
34		
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36		
37		
38		
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42		
43		
44		

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1	Federal Taxes:					
2	Income		3,697,589	8,139,532	9,306,088	286,655
3	Unemployment	172		63,673	63,241	
4	FICA		263	4,070,807	4,070,785	
5						
6	Subtotal	172	3,697,852	12,274,012	13,440,114	286,655
7						
8	State Taxes (Wisconsin					
9	unless otherwise noted):					
10	Income		1,361,892	3,172,943	2,600,000	
11	Unemployment		42	17,655	23,869	
12	Remainder Assessment		295,758	450,448	511,549	
13	License Fee		9,240,996	9,331,776	10,097,261	
14	Fuel Tax	262		1,027	1,133	
15						
16						
17	Subtotal	262	10,898,688	12,973,849	13,233,812	
18						
19	Local Taxes:					
20	Real Estate Taxes	53,236		37,251	53,104	
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
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39						
40						
41	TOTAL	53,670	14,596,540	25,285,112	26,727,030	286,655

Name of Respondent Madison Gas and Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes)- covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (i) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (j) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
	4,577,490	5,509,233			2,630,299	2
604		42,207			21,466	3
	241	1,888,169			2,182,638	4
						5
604	4,577,731	7,439,609			4,834,403	6
						7
						8
						9
	788,949	2,218,635			954,308	10
	6,256	11,041			6,614	11
	356,859	282,458			167,990	12
	10,006,481	7,707,372			1,624,404	13
156					1,027	14
						15
						16
156	11,158,545	10,219,506			2,754,343	17
						18
						19
37,383					37,251	20
						21
						22
						23
						24
						25
						26
						27
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38,143	15,736,276	17,659,115			7,625,997	41

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Madison Gas and Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2004/Q4
FOOTNOTE DATA			

Schedule Page: 262 Line No.: 2 Column: f
 Transfer of related entities' balances 286,655

Schedule Page: 262 Line No.: 2 Column: l

A/C 190	44,073
A/C 282	1,323,600
A/C 283	(1,274,001)
A/C 409	2,536,427
A/C 426	200
Total	2,630,299

Schedule Page: 262 Line No.: 3 Column: l

A/C 107	6,014
A/C 184	3,351
A/C 408	12,101
Total	21,466

Schedule Page: 262 Line No.: 4 Column: l

A/C 107	550,043
A/C 184	652,209
A/C 408	980,386
Total	2,182,638

Schedule Page: 262 Line No.: 10 Column: c

Wisconsin	1,365,649
Michigan	(3,757)
Total	1,361,892

Schedule Page: 262 Line No.: 10 Column: h

Wisconsin	792,706
Michigan	(3,757)
Total	788,949

Schedule Page: 262 Line No.: 10 Column: l

A/C 190	10,801
A/C 282	324,380
A/C 283	(309,305)
A/C 409	928,432
Total	954,308

Schedule Page: 262 Line No.: 11 Column: l

A/C 107	1,761
A/C 184	940
A/C 408	3,913
Total	6,614

Schedule Page: 262 Line No.: 12 Column: l

A/C 408	167,990
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Schedule Page: 262 Line No.: 13 Column: l

A/C 408	1,624,404
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Schedule Page: 262 Line No.: 14 Column: l

A/C 142	1,049
A/C 184	(22)
Total	1,027

Schedule Page: 262 Line No.: 20 Column: l

A/C 408	37,251
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Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustments to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)	
1	Electric Utility						
2	3%		NA		NA		
3	4%	577,037	NA		411.1	32,414	
4	7%		NA		NA		
5	10%	2,380,533	NA		411.1	305,182	
6							
7							
8	TOTAL	2,957,570				337,596	
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10							
11	Gas utility						
12	4%	140,396	NA		411.2	17,996	
13	10%	1,793,192	NA		411.2	146,908	
14							
15	TOTAL	1,933,588				164,904	
16							
17	GRAND	4,891,158				502,500	
18							
19							
20							
21							
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23							
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Name of Respondent Madison Gas and Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (continued)					
Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION			Line No.
					1
	NA				2
544,623	25 years				3
	NA				4
2,075,351	25 years				5
					6
					7
2,619,974					8
					9
					10
					11
122,400	30 years				12
1,646,284	30 years				13
					14
1,768,684					15
					16
4,388,658					17
					18
					19
					20
					21
					22
					23
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Name of Respondent Madison Gas and Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4	
OTHER DEFERRED CREDITS (Account 253)						
1. Report below the particulars (details) called for concerning other deferred credits.						
2. For any deferred credit being amortized, show the period of amortization.						
3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$10,000, whichever is greater) may be grouped by classes.						
Line No.	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	Conservation Escrow Accounts	-469,476	Various	6,931,196	6,798,419	-602,253
2						
3	Postretirement Benefits-SFAS 106	15,089,290	131	1,511,203	6,248,374	19,826,461
4						
5	Postretirement Benefits-SFAS 112	248,000			171,000	419,000
6						
7	Nonqualified Deferred					
8	Compensation Plan	3,591,742	134	1,247,280	4,765,364	7,109,826
9						
10	Supplemental Retirement Benefits	703,623	131	112,121	101,677	693,179
11						
12	Environmental Clean-Up	1,100,000	182	1,000,000		100,000
13						
14	Derivative Instruments and					
15	Hedging Activities-SFAS 133	659,740	421	1,981,398	2,395,106	1,073,448
16						
17	Miscellaneous	10,853	131	8,865	24,464	26,452
18						
19	MGE Power West Campus	250,000				250,000
20						
21	Additional Minimum Liability -					
22	Pension Plan	11,019,324			3,455,173	14,474,497
23						
24	Vendor Settlement				210,642	210,642
25						
26	Decommissioning and					
27	Decontamination				579,004	579,004
28						
29	Workers' Compensation				181,000	181,000
30						
31	Pension-SFAS 87				308,716	308,716
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	TOTAL	32,203,096		12,792,063	25,238,939	44,649,972

Name of Respondent Madison Gas and Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)					
1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization					
2. For other (Specify), include deferrals relating to other income and deductions.					
Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR		
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	
1	Account 282				
2	Electric	55,449,354	5,678,284	43,344	
3	Gas	19,872,355	1,246,160	28,896	
4					
5	TOTAL (Enter Total of lines 2 thru 4)	75,321,709	6,924,444	72,240	
6	Non-utility Leased Property	-8,307			
7					
8					
9	TOTAL Account 282 (Enter Total of lines 5 thru 8)	75,313,402	6,924,444	72,240	
10	Classification of TOTAL				
11	Federal Income Tax	66,696,943	6,050,495	58,020	
12	State Income Tax	8,616,459	873,949	14,220	
13	Local Income Tax				

NOTES

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
		236/182	2,683,482	182	1,007,536	59,408,348	2
		236/182	888,085	182	337,344	20,538,878	3
							4
			3,571,567		1,344,880	79,947,226	5
				236	4,773	-3,534	6
							7
							8
			3,571,567		1,349,653	79,943,692	9
							10
			2,820,933		678,097	70,546,582	11
			750,634		671,556	9,397,110	12
							13

NOTES (Continued)

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.

2. For other (Specify), include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3	Preliminary Survey	7,310		64,390
4	Deductible Prepayments	3,633,946	3,141,958	2,677,930
5	Sulfur Dioxide Conversions	22,840		20,446
6	Blount Bioventing	150,759	1,657,937	1,114,864
7	Pension	1,167,091	1,042,424	972,778
8	Other	2,910,114	4,464,064	1,057,922
9	TOTAL Electric (Total of lines 3 thru 8)	7,892,060	10,306,383	5,908,330
10	Gas			
11	Deductible Prepayments	641,285	554,463	472,575
12	Tax Settlements	5,222		2,615
13	Shared Savings	43,002	4,292	8,759
14	Pension	574,835	513,433	479,129
15	AFUDC - Equity	439,893		
16	Other	309,325	2,091,361	
17	TOTAL Gas (Total of lines 11 thru 16)	2,013,562	3,163,549	963,078
18	Other	15,623,071	3,191,556	341,218
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	25,528,693	16,661,488	7,212,626
20	Classification of TOTAL			
21	Federal Income Tax	20,848,793	13,381,909	5,792,935
22	State Income Tax	4,679,900	3,279,579	1,419,691
23	Local Income Tax			

NOTES

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)

3. Provide in the space below explanations for Page 276 and 277. Include amounts relating to insignificant items listed under Other.
4. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
				236	64,965	7,885	3
		236	2,422			4,095,552	4
						2,394	5
						693,832	6
						1,236,737	7
		182/236	440,414	182/236	390,719	6,266,561	8
			442,836		455,684	12,302,961	9
							10
		236	428			722,745	11
						2,607	12
						38,535	13
						609,139	14
				182	20,624	460,517	15
		182	117,989	236	44,788	2,327,485	16
			118,417		65,412	4,161,028	17
		236	102,101	124/236	1,286,854	19,658,162	18
			663,354		1,807,950	36,122,151	19
							20
			340,697		1,724,203	29,821,273	21
			322,657		83,747	6,300,878	22
							23

NOTES (Continued)

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Madison Gas and Electric Company		/ /	2004/Q4
FOOTNOTE DATA			

Schedule Page: 276 Line No.: 8 Column: a

	(b)	(c)	(d)	(h)	(j)	(k)
AFUDC - Equity	\$ 659,842	\$ ---	\$ ---	\$ ---	\$ 30,937	\$ 690,779
Refuse Hideaway Legal Fees	582,064	---	447,708	---	---	134,356
ATC Deferred Charges	(68,588)	643,256	463,918	---	204,983	315,733
DOE Payment	360,519	90,109	9,051	26,083	---	415,494
DePere Wind Project	19,115	---	19,107	8	---	---
DOE D&D Assessment	104,887	---	104,887	---	---	---
Tax Settlements	13,107	---	6,552	---	8	6,563
Shared Savings	64,501	---	6,699	---	---	57,802
Software Development	41,787	---	---	---	90,866	132,653
Columbia Sec 174 Costs	131,600	---	---	---	63,925	195,525
Normalization	1,001,280	---	---	414,323	---	586,957
FAS 87	---	3,717,977	---	---	---	3,717,977
WCCF Costs - Interest	---	12,722	---	---	---	12,722
Total	<u>\$2,910,114</u>	<u>\$4,464,064</u>	<u>\$1,057,922</u>	<u>\$440,414</u>	<u>\$390,719</u>	<u>\$6,266,561</u>

Schedule Page: 276 Line No.: 16 Column: a

	(b)	(c)	(d)	(h)	(j)	(k)
Preliminary Survey	\$ 3,601	\$ ---	\$ ---	\$ ---	\$ 34	\$ 3,635
Software Development	20,583	---	---	---	44,754	65,337
Normalization	285,141	---	---	117,989	---	167,152
FAS 87	---	2,091,361	---	---	---	2,091,361
Total	<u>\$309,325</u>	<u>\$2,091,361</u>	<u>\$ ---</u>	<u>\$117,989</u>	<u>\$44,788</u>	<u>\$2,327,485</u>

Schedule Page: 276 Line No.: 18 Column: a

	(b)	(c)	(d)	(h)	(j)	(k)
Bond Transactions	\$ 3,025,715	\$ ---	\$149,327	\$ ---	\$ ---	\$ 2,876,388
FAS 133 - Reg Asset	111,127	954,804	77,514	---	---	988,417
Viroqua Acquisition Adjustment	(70,935)	14,222	(1,295)	---	---	(55,418)
Weather Insurance	100,835	114,074	102,892	---	---	112,017
ATC Deferred Charges	(16,649)	49,480	(9,896)	---	---	42,727
ATC Deferred Property	12,267,205	1,940,472	---	20,097	1,228,043	15,415,623
Venture Investors III	26,465	---	---	82,004	16,770	(38,769)
Innovation Center	159,198	---	16,056	---	---	143,142
Tax Settlements	20,110	118,504	6,620	---	---	131,994
OCI	---	---	---	---	42,041	42,041
Total	<u>\$15,623,071</u>	<u>\$3,191,556</u>	<u>\$341,218</u>	<u>\$102,101</u>	<u>\$1,286,854</u>	<u>\$19,658,162</u>

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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OTHER REGULATORY LIABILITIES (Account 254)

1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$50,000 which ever is less), may be grouped by classes.
3. For Regulatory Liabilities being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)
			Account Credited (c)	Amount (d)		
1	Income Tax Benefits-SFAS 109	9,877,103	124/190/411	1,272,888		8,604,215
2	EPA Emission Allowance Auction Proceeds	110,449	509	62,739	37,620	85,330
3						
4	Decommissioning and Decontamination	846,045	186	846,045		
5						
6	Internal Revenue Service Interest	226,509	419	226,509		
7						
8	Wisconsin Dept. of Revenue Income					
9	Tax Refund and Interest	750,430	184/419/930	375,215		375,215
10						
11	Vendor Settlement (a)	1,376,653	456	724,588	303,786	955,851
12						
13	Escrow ATC/MISO	(362,944)	186	27,906,818	27,551,079	-718,683
14						
15	Estimated Fuel Cost Refund	2,762,440	440/442/444/44	3,836,492	2,730,093	1,656,041
16						
17	Derivative Instruments and Hedging					
18	Activities-SFAS 133	731,898	456	731,898		
19						
20	Miscellaneous	10,856		4,191		6,665
21						
22	(a) Amortized over 24 months					
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	16,329,439		35,987,383	30,622,578	10,964,634

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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ELECTRIC OPERATING REVENUES (Account 400)

- The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.
- Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
- Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.
- If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)
1	Sales of Electricity		
2	(440) Residential Sales	87,326,003	85,163,804
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	68,587,877	119,584,411
5	Large (or Ind.) (See Instr. 4)	69,513,862	14,554,693
6	(444) Public Street and Highway Lighting	1,002,450	950,021
7	(445) Other Sales to Public Authorities	17,881,037	17,025,530
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales	447,601	518,556
10	TOTAL Sales to Ultimate Consumers	244,758,830	237,797,015
11	(447) Sales for Resale	944,102	5,184,239
12	TOTAL Sales of Electricity	245,702,932	242,981,254
13	(Less) (449.1) Provision for Rate Refunds		
14	TOTAL Revenues Net of Prov. for Refunds	245,702,932	242,981,254
15	Other Operating Revenues		
16	(450) Forfeited Discounts	460,670	428,164
17	(451) Miscellaneous Service Revenues	12,705	13,206
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	576,380	584,963
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	4,080,880	-1,743,897
22			
23			
24			
25			
26	TOTAL Other Operating Revenues	5,130,635	-717,564
27	TOTAL Electric Operating Revenues	250,833,567	242,263,690

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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ELECTRIC OPERATING REVENUES (Account 400)

5. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)
6. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.
7. For Lines 2,4,5, and 6, see Page 304 for amounts relating to unbilled revenue by accounts.
8. Include unmetered sales. Provide details of such Sales in a footnote.

MEGAWATT HOURS SOLD		AVG.NO. CUSTOMERS PER MONTH		Line No.
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	
				1
785,538	800,535	115,775	114,590	2
				3
806,049	1,651,578	17,401	17,513	4
1,190,026	299,449	434	64	5
8,759	8,711	77	76	6
333,868	315,478	2	2	7
				8
5,408	5,616	1	1	9
3,129,648	3,081,367	133,690	132,246	10
19,941	106,569	6	9	11
3,149,589	3,187,936	133,696	132,255	12
				13
3,149,589	3,187,936	133,696	132,255	14

Line 12, column (b) includes \$ 114,928 of unbilled revenues.

Line 12, column (d) includes 2,338 MWH relating to unbilled revenues

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2004/Q4
Madison Gas and Electric Company			
FOOTNOTE DATA			

Schedule Page: 300 Line No.: 2 Column: f

Includes 99 residential water heater customers who are counted twice.

Schedule Page: 300 Line No.: 4 Column: b

The amount for 2004 is reported as small commercial and industrial. The column (c), 2003 prior year end is reported as commercial.

Schedule Page: 300 Line No.: 5 Column: b

The amount for 2004 is reported as large commercial and industrial. The column (c), 2003 prior year end is reported as industrial.

Schedule Page: 300 Line No.: 19 Column: b

RENT FROM ELECTRIC PROPERTY (454)

Land Rentals	\$139,571
Building Rentals	512
Contact and Conduit Rentals	378,780
Equipment Rental	52,146
Miscellaneous	5,371

TOTAL	\$576,380
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Schedule Page: 300 Line No.: 21 Column: b

OTHER ELECTRIC REVENUES (456)

Transmission of Electricity for Others	\$ 224,013
Vendor Settlement	734,589
Shared Savings Program	286,576
Discount on State Sales Tax	39,007
Fuel Cost Credit	2,762,440
Kewaunee Spring Outage	21,037
MGE Foundation	7,436
Miscellaneous	5,782

TOTAL	\$4,080,880
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SALES OF ELECTRICITY BY RATE SCHEDULES

- Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
- Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
- Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
- The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
- For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
- Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	RESIDENTIAL					
2	Lighting (Rg-1)	778,109	86,623,597	115,198	6,755	0.1113
3	Time-of-Use (Rg-2)	6,928	652,933	347	19,965	0.0942
4	Lifeline Lighting (Rg-3)	211	19,004	42	5,024	0.0901
5	Overhead Ltg. (unmetered) OL-1	62	14,408	89	697	0.2324
6	Off-Peak Water Heating (Rw-1)	228	16,061	99	2,303	0.0704
7	Total Residential	785,538	87,326,003	115,775	6,785	0.1112
8						
9	COMMERCIAL AND INDUSTRIAL					
10	Lighting and Power (Cg-1)	552,553	44,063,143	3,105	177,956	0.0797
11	Ltg. and Power Time-of-Use (Cg-2)	849,160	54,178,300	374	2,270,481	0.0638
12	Small C&I Opt. Time-of-Use (Cg-3)	5,568	506,529	197	28,264	0.0910
13	Large C&I Opt. Time-of-Use (Cg-4)	39,617	2,764,155	132	300,129	0.0698
14	Lighting and Power (Cg-5)	202,981	20,618,921	13,061	15,541	0.1016
15	Lighting and Power (Cg-6)	155,577	8,196,648	13	11,967,462	0.0527
16	Amplifiers (Gf-1)	3,596	287,215	2	1,798,000	0.0799
17	Special (Sp-4)	83,362	4,282,572	1	83,362,000	0.0514
18	Telephone Booths (Gf-1)	8	702	1	8,000	0.0878
19	Overhead Lighting (OL-1)	1,771	367,722	932	1,900	0.2076
20	Parallel Generation (Pg-2)	21	3,383	1	21,000	0.1611
21	HLF Direct Control Inter. (Cp-1)	101,783	2,825,348	1	101,783,000	0.0278
22	Interruptible Svc. Rider (Gf-1)	78	7,101	15	5,200	0.0910
23	Total Commercial and Industrial	1,996,075	138,101,739	17,835	111,919	0.0692
24	PUBLIC STREET AND HIGHWAY					
25	Highway Ltd. (metered) (Cg-5)	16	1,843	3	5,333	0.1152
26	Blvd. Ltg. (unmetered) (SL-1,2,3)	8,310	959,304	54	153,889	0.1154
27	Athletic Field Ltg. (MLS)	433	41,303	20	21,650	0.0954
28	Total Public Street & Hwy. Ltg.	8,759	1,002,450	77	113,753	0.1144
29						
30	OTHER PUBLIC AUTHORITIES					
31	Capitol Heating Plant (Sp-5)	1,147	179,221	1	1,147,000	0.1563
32	University of Wisconsin (Sp-3)	332,721	17,700,498	1	332,721,000	0.0532
33	Defense Sirens (Mg-2)		1,318			
34	Total Other Public Authorities	333,868	17,881,037	2	166,934,000	0.0536
35						
36	Interdepartmental Sales	5,408	447,601	1	5,408,000	0.0828
37						
38						
39						
40						
41	TOTAL Billed	3,127,310	246,299,943	133,690	23,392	0.0788
42	Total Unbilled Rev.(See Instr. 6)	2,338	-1,541,113	0	0	-0.6592
43	TOTAL	3,129,648	244,758,830	133,690	23,410	0.0782

Name of Respondent Madison Gas and Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2004/Q4
FOOTNOTE DATA			

Schedule Page: 304 Line No.: 7 Column: d
Includes 99 water heating customers who are served on the Rg-1 rate schedule as well.

Schedule Page: 304 Line No.: 38 Column: a
Unbilled revenues are reported by rate schedule.

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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SALES FOR RESALE (Account 447)

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).

2. Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.

3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows: RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.

SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.

LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	RQ Sales - None					
2						
3	WE Energies	OS	Orig. Vol. 4			
4						
5	Wisconsin Public Service Corp.	OS	Orig. Vol. 4			
6						
7	Alliant Energy - Wis. Power & Light Co.	OS	Orig. Vol. 4			
8						
9	Wisconsin Public Power Inc.	OS	Orig. Vol. 4			
10						
11	Exelon Corp.	OS	Orig. Vol. 4			
12						
13	Illinois Power	OS	Orig. Vol. 2			
14						
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

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SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.

10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
					1
					2
1,410		40,583		40,583	3
					4
1,500		74,475		74,475	5
					6
935		42,710		42,710	7
					8
1,105		26,625		26,625	9
					10
25		2,775		2,775	11
					12
79		9,025		9,025	13
					14
0	0	0	0	0	
19,941	0	944,102	0	944,102	
19,941	0	944,102	0	944,102	

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.

10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
1,175		37,142		37,142	1
					2
37		1,480		1,480	3
					4
743		17,338		17,338	5
					6
140		4,060		4,060	7
					8
20		500		500	9
					10
1,500		48,127		48,127	11
					12
1,780		43,410		43,410	13
					14
0	0	0	0	0	
19,941	0	944,102	0	944,102	
19,941	0	944,102	0	944,102	

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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SALES FOR RESALE (Account 447)

- Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
- Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
- In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
 RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
 LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.
 IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
 SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
 LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
 IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Rainbow Energy Marketing Corp.	OS	Orig. Vol. 4			
2						
3	Southern Illinois Power Cooperative	OS	Orig. Vol. 4			
4						
5	Ameren Service Company	OS	Orig. Vol. 2			
6						
7	PJM Interconnection, LLC	OS	Orig. Vol. 4			
8						
9						
10						
11						
12						
13						
14						
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.

10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
720		12,000		12,000	1
					2
6		600		600	3
					4
29		3,625		3,625	5
					6
8,737		579,627		579,627	7
					8
					9
					10
					11
					12
					13
					14
0	0	0	0	0	
19,941	0	944,102	0	944,102	
19,941	0	944,102	0	944,102	

Name of Respondent Madison Gas and Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2004/Q4
FOOTNOTE DATA			

Schedule Page: 310 Line No.: 3 Column: b
General Purpose Energy.
Schedule Page: 310 Line No.: 5 Column: b
General Purpose Energy.
Schedule Page: 310 Line No.: 7 Column: b
General Purpose Energy and Emergency Energy
Schedule Page: 310 Line No.: 9 Column: b
General Purpose Energy
Schedule Page: 310 Line No.: 11 Column: b
Emergency Energy
Schedule Page: 310 Line No.: 13 Column: b
Emergency Energy.
Schedule Page: 310.1 Line No.: 1 Column: b
General Purpose Energy.
Schedule Page: 310.1 Line No.: 3 Column: b
General Purpose Energy.
Schedule Page: 310.1 Line No.: 5 Column: b
General Purpose Energy.
Schedule Page: 310.1 Line No.: 7 Column: b
General Purpose Energy.
Schedule Page: 310.1 Line No.: 9 Column: b
General Purpose Energy.
Schedule Page: 310.1 Line No.: 11 Column: b
General Purpose Energy.
Schedule Page: 310.1 Line No.: 13 Column: b
General Purpose Energy.
Schedule Page: 310.2 Line No.: 1 Column: b
General Purpose Energy.
Schedule Page: 310.2 Line No.: 3 Column: b
Emergency Energy.
Schedule Page: 310.2 Line No.: 5 Column: b
Emergency Energy.
Schedule Page: 310.2 Line No.: 7 Column: b
Sales into PJM Interchange Market.

Name of Respondent Madison Gas and Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES					
If the amount for previous year is not derived from previously reported figures, explain in footnote.					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
1	1. POWER PRODUCTION EXPENSES				
2	A. Steam Power Generation				
3	Operation				
4	(500) Operation Supervision and Engineering	198,827	184,091		
5	(501) Fuel	39,207,380	35,518,511		
6	(502) Steam Expenses	2,685,844	2,572,440		
7	(503) Steam from Other Sources				
8	(Less) (504) Steam Transferred-Cr.				
9	(505) Electric Expenses	1,610,782	1,591,661		
10	(506) Miscellaneous Steam Power Expenses	5,111,632	5,220,396		
11	(507) Rents				
12	(509) Allowances	717,915	736,655		
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	49,532,380	45,823,754		
14	Maintenance				
15	(510) Maintenance Supervision and Engineering	203,932	203,930		
16	(511) Maintenance of Structures	346,579	375,099		
17	(512) Maintenance of Boiler Plant	4,594,918	4,811,145		
18	(513) Maintenance of Electric Plant	1,426,674	863,606		
19	(514) Maintenance of Miscellaneous Steam Plant	477,485	529,831		
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	7,049,588	6,783,611		
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)	56,581,968	52,607,365		
22	B. Nuclear Power Generation				
23	Operation				
24	(517) Operation Supervision and Engineering				
25	(518) Fuel	283,886	277,551		
26	(519) Coolants and Water				
27	(520) Steam Expenses				
28	(521) Steam from Other Sources				
29	(Less) (522) Steam Transferred-Cr.				
30	(523) Electric Expenses				
31	(524) Miscellaneous Nuclear Power Expenses				
32	(525) Rents				
33	TOTAL Operation (Enter Total of lines 24 thru 32)	283,886	277,551		
34	Maintenance				
35	(528) Maintenance Supervision and Engineering				
36	(529) Maintenance of Structures				
37	(530) Maintenance of Reactor Plant Equipment				
38	(531) Maintenance of Electric Plant				
39	(532) Maintenance of Miscellaneous Nuclear Plant				
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)				
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)	283,886	277,551		
42	C. Hydraulic Power Generation				
43	Operation				
44	(535) Operation Supervision and Engineering				
45	(536) Water for Power				
46	(537) Hydraulic Expenses				
47	(538) Electric Expenses				
48	(539) Miscellaneous Hydraulic Power Generation Expenses				
49	(540) Rents				
50	TOTAL Operation (Enter Total of Lines 44 thru 49)				

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)					
If the amount for previous year is not derived from previously reported figures, explain in footnote.					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
51	C. Hydraulic Power Generation (Continued)				
52	Maintenance				
53	(541) Maintenance Supervision and Engineering				
54	(542) Maintenance of Structures				
55	(543) Maintenance of Reservoirs, Dams, and Waterways				
56	(544) Maintenance of Electric Plant				
57	(545) Maintenance of Miscellaneous Hydraulic Plant				
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)				
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)				
60	D. Other Power Generation				
61	Operation				
62	(546) Operation Supervision and Engineering	28,695	32,126		
63	(547) Fuel	3,344,072	5,023,799		
64	(548) Generation Expenses	192,604	226,162		
65	(549) Miscellaneous Other Power Generation Expenses	372,810	387,517		
66	(550) Rents	612,061	605,313		
67	TOTAL Operation (Enter Total of lines 62 thru 66)	4,550,242	6,274,917		
68	Maintenance				
69	(551) Maintenance Supervision and Engineering	43,504	24,639		
70	(552) Maintenance of Structures	19,811	23,072		
71	(553) Maintenance of Generating and Electric Plant	1,075,114	782,465		
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	36,579	43,879		
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)	1,175,008	874,055		
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)	5,725,250	7,148,972		
75	E. Other Power Supply Expenses				
76	(555) Purchased Power	52,052,418	49,521,152		
77	(556) System Control and Load Dispatching	675,640	619,383		
78	(557) Other Expenses	369,873	371,665		
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	53,097,931	50,512,200		
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	115,689,035	110,546,088		
81	2. TRANSMISSION EXPENSES				
82	Operation				
83	(560) Operation Supervision and Engineering				
84	(561) Load Dispatching				
85	(562) Station Expenses				
86	(563) Overhead Lines Expenses				
87	(564) Underground Lines Expenses				
88	(565) Transmission of Electricity by Others	16,195,343	16,951,176		
89	(566) Miscellaneous Transmission Expenses				
90	(567) Rents				
91	TOTAL Operation (Enter Total of lines 83 thru 90)	16,195,343	16,951,176		
92	Maintenance				
93	(568) Maintenance Supervision and Engineering				
94	(569) Maintenance of Structures				
95	(570) Maintenance of Station Equipment	-5,045	12,973		
96	(571) Maintenance of Overhead Lines				
97	(572) Maintenance of Underground Lines				
98	(573) Maintenance of Miscellaneous Transmission Plant				
99	TOTAL Maintenance (Enter Total of lines 93 thru 98)	-5,045	12,973		
100	TOTAL Transmission Expenses (Enter Total of lines 91 and 99)	16,190,298	16,964,149		
101	3. DISTRIBUTION EXPENSES				
102	Operation				
103	(580) Operation Supervision and Engineering	884,467	893,316		

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)					
If the amount for previous year is not derived from previously reported figures, explain in footnote.					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
104	3. DISTRIBUTION Expenses (Continued)				
105	(581) Load Dispatching	121,723	108,989		
106	(582) Station Expenses	1,121,038	926,826		
107	(583) Overhead Line Expenses	192,545	246,298		
108	(584) Underground Line Expenses	303,673	200,016		
109	(585) Street Lighting and Signal System Expenses	87,989	7,516		
110	(586) Meter Expenses	849,360	902,860		
111	(587) Customer Installations Expenses	202,529	190,577		
112	(588) Miscellaneous Expenses	2,012,759	2,102,130		
113	(589) Rents	109,883	133,279		
114	TOTAL Operation (Enter Total of lines 103 thru 113)	5,885,966	5,711,807		
115	Maintenance				
116	(590) Maintenance Supervision and Engineering	67,492	75,716		
117	(591) Maintenance of Structures	-1,797			
118	(592) Maintenance of Station Equipment	284,626	271,891		
119	(593) Maintenance of Overhead Lines	3,616,984	4,061,336		
120	(594) Maintenance of Underground Lines	456,168	298,818		
121	(595) Maintenance of Line Transformers	397,796	365,758		
122	(596) Maintenance of Street Lighting and Signal Systems	113,959	111,184		
123	(597) Maintenance of Meters				
124	(598) Maintenance of Miscellaneous Distribution Plant	24,900	33,006		
125	TOTAL Maintenance (Enter Total of lines 116 thru 124)	4,960,128	5,217,709		
126	TOTAL Distribution Exp (Enter Total of lines 114 and 125)	10,846,094	10,929,516		
127	4. CUSTOMER ACCOUNTS EXPENSES				
128	Operation				
129	(901) Supervision	5,301	5,142		
130	(902) Meter Reading Expenses	263,051	591,029		
131	(903) Customer Records and Collection Expenses	3,678,817	3,501,575		
132	(904) Uncollectible Accounts	1,150,340	1,108,499		
133	(905) Miscellaneous Customer Accounts Expenses	187,697	200,831		
134	TOTAL Customer Accounts Expenses (Total of lines 129 thru 133)	5,285,206	5,407,076		
135	5. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES				
136	Operation				
137	(907) Supervision	-78,371	44,271		
138	(908) Customer Assistance Expenses	3,212,287	2,811,171		
139	(909) Informational and Instructional Expenses	-3,730	387,369		
140	(910) Miscellaneous Customer Service and Informational Expenses	159,226	372,617		
141	TOTAL Cust. Service and Information. Exp. (Total lines 137 thru 140)	3,289,412	3,615,428		
142	6. SALES EXPENSES				
143	Operation				
144	(911) Supervision				
145	(912) Demonstrating and Selling Expenses	212,755	134,884		
146	(913) Advertising Expenses	174,985	179,932		
147	(916) Miscellaneous Sales Expenses				
148	TOTAL Sales Expenses (Enter Total of lines 144 thru 147)	387,740	314,816		
149	7. ADMINISTRATIVE AND GENERAL EXPENSES				
150	Operation				
151	(920) Administrative and General Salaries	6,435,287	6,396,021		
152	(921) Office Supplies and Expenses	1,733,282	1,568,425		
153	(Less) (922) Administrative Expenses Transferred-Credit				

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)					
If the amount for previous year is not derived from previously reported figures, explain in footnote.					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
154	7. ADMINISTRATIVE AND GENERAL EXPENSES (Continued)				
155	(923) Outside Services Employed	5,798,678	4,100,806		
156	(924) Property Insurance	508,146	496,468		
157	(925) Injuries and Damages	756,337	868,867		
158	(926) Employee Pensions and Benefits	9,278,040	9,951,209		
159	(927) Franchise Requirements				
160	(928) Regulatory Commission Expenses	626,101	882,758		
161	(929) (Less) Duplicate Charges-Cr.	225,053	58,345		
162	(930.1) General Advertising Expenses	16,187	11,752		
163	(930.2) Miscellaneous General Expenses	1,816,394	1,828,609		
164	(931) Rents	641,466	553,386		
165	TOTAL Operation (Enter Total of lines 151 thru 164)	27,384,865	26,599,956		
166	Maintenance				
167	(935) Maintenance of General Plant	555,423	473,995		
168	TOTAL Admin & General Expenses (Total of lines 165 thru 167)	27,940,288	27,073,951		
169	TOTAL Elec Op and Maint Expn (Tot 80, 100, 126, 134, 141, 148, 168)	179,628,073	174,851,024		

Name of Respondent Madison Gas and Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4	
PURCHASED POWER (Account 555) (Including power exchanges)						
<p>1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.</p> <p>2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.</p> <p>3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:</p> <p>RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.</p> <p>LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.</p> <p>IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.</p> <p>SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.</p> <p>LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.</p> <p>IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.</p> <p>EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.</p> <p>OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.</p>						
Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	RQ Purchases - None					
2						
3	Non-RQ Purchases:					
4	WE Energies	OS	FERC No. 14			
5	WE Energies	SF	FERC No. 14			
6	WE Energies	OS	FERC No. 14			
7						
8	Wisconsin Public Service Corp.	OS	FERC No. 12			
9	Wisconsin Public Service Corp.	OS	FERC No. 12			
10						
11	Wisconsin Public Power Inc.	OS	FERC No. 13			
12						
13	Alliant Energy - Wis Power & Light Co.	OS	FERC No. 7			
14	Alliant Energy - Wis Power & Light Co.	OS	FERC No. 7			
	Total					

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
PURCHASED POWER (Account 555) (Continued) (Including power exchanges)			
<p>AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.</p> <p>4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.</p> <p>5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.</p> <p>6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.</p> <p>7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.</p> <p>8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.</p> <p>9. Footnote entries as required and provide explanations following all required data.</p>			

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
							1
							2
							3
13,203				372,667		372,667	4
19,344				862,160		862,160	5
	591	7,553					6
							7
1,335				27,228		27,228	8
	590	1,131					9
							10
345				11,135		11,135	11
							12
5,510				265,419		265,419	13
		1,043					14
1,124,911	1,401	9,727	11,507,925	40,343,238	201,255	52,052,418	

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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PURCHASED POWER (Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.

5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.

7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.

8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.

9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
131,686				3,483,797		3,483,797	1
131,413				4,639,920		4,639,920	2
					149,820	149,820	3
							4
56,683				2,667,576		2,667,576	5
							6
23,821				867,534		867,534	7
							8
3,039				148,650		148,650	9
							10
2,335				164,685		164,685	11
							12
4,361				225,458		225,458	13
							14
1,124,911	1,401	9,727	11,507,925	40,343,238	201,255	52,052,418	

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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PURCHASED POWER (Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
102,520				3,506,085		3,506,085	1
							2
100				5,800		5,800	3
							4
150				2,325		2,325	5
							6
2,483				98,090		98,090	7
							8
1,389				77,868		77,868	9
							10
425	220			17,215		17,215	11
							12
2,595				57,617		57,617	13
							14
1,124,911	1,401	9,727	11,507,925	40,343,238	201,255	52,052,418	

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
PURCHASED POWER (Account 555) (Continued) (Including power exchanges)			
<p>AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.</p> <p>4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.</p> <p>5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.</p> <p>6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.</p> <p>7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.</p> <p>8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.</p> <p>9. Footnote entries as required and provide explanations following all required data.</p>			

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
60				2,190		2,190	1
							2
47,348			2,376,500	3,433,420		5,809,920	3
							4
605				11,085		11,085	5
							6
42,950			4,626,250	2,956,127		7,582,377	7
							8
26,056			4,505,175	1,297,133		5,802,308	9
							10
15,489				571,765		571,765	11
							12
1,193				42,774		42,774	13
							14
1,124,911	1,401	9,727	11,507,925	40,343,238	201,255	52,052,418	

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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PURCHASED POWER (Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
					-840,617	-840,617	1
							2
488,293				14,525,715	892,052	15,417,767	3
							4
180				1,800		1,800	5
							6
							7
							8
							9
							10
							11
							12
							13
							14
1,124,911	1,401	9,727	11,507,925	40,343,238	201,255	52,052,418	

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2004/Q4
Madison Gas and Electric Company			
FOOTNOTE DATA			

Schedule Page: 326 Line No.: 4 Column: b

General Purpose Energy

Schedule Page: 326 Line No.: 5 Column: b

01/01/2004 - 01/31/2004

Schedule Page: 326 Line No.: 6 Column: b

Redispatch Service for American Transmission Company

Schedule Page: 326 Line No.: 8 Column: b

General Purpose Energy

Schedule Page: 326 Line No.: 9 Column: b

Redispatch Service for American Transmission Company

Schedule Page: 326 Line No.: 11 Column: b

General Purpose Energy

Schedule Page: 326 Line No.: 13 Column: b

General Purpose Energy

Schedule Page: 326 Line No.: 14 Column: b

Redispatch Service for American Transmission Company

Schedule Page: 326.1 Line No.: 1 Column: b

01/01/2004 - 12/31/2004

Schedule Page: 326.1 Line No.: 2 Column: b

General Purpose Energy

Schedule Page: 326.1 Line No.: 3 Column: b

Other Financial Losses

Schedule Page: 326.1 Line No.: 5 Column: b

General Purpose Energy

Schedule Page: 326.1 Line No.: 7 Column: b

General Purpose Energy

Schedule Page: 326.1 Line No.: 9 Column: b

General Purpose Energy

Schedule Page: 326.1 Line No.: 11 Column: b

General Purpose Energy

Schedule Page: 326.2 Line No.: 1 Column: b

General Purpose Energy

Schedule Page: 326.2 Line No.: 3 Column: b

General Purpose Energy

Schedule Page: 326.2 Line No.: 5 Column: b

General Purpose Energy

Schedule Page: 326.2 Line No.: 7 Column: b

General Purpose Energy

Schedule Page: 326.2 Line No.: 9 Column: b

General Purpose Energy

Schedule Page: 326.2 Line No.: 11 Column: b

General Purpose Energy

Schedule Page: 326.3 Line No.: 1 Column: b

General Purpose Energy

Schedule Page: 326.3 Line No.: 3 Column: b

05/01/2004 - 05/31/2013

Schedule Page: 326.3 Line No.: 5 Column: b

General Purpose Energy

Schedule Page: 326.3 Line No.: 7 Column: b

05/01/2002 - 04/30/2007

Schedule Page: 326.3 Line No.: 9 Column: b

05/01/2002 - 04/30/2012 includes fuel component Tenaska

Schedule Page: 326.4 Line No.: 1 Column: b

Reservation charges associated with providing or receiving redispatch services

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Madison Gas and Electric Company			2004/Q4
FOOTNOTE DATA			

Schedule Page: 326.4 Line No.: 3 Column: b
General Purpose Energy
Schedule Page: 326.4 Line No.: 5 Column: b
Other Financial Losses, Operating Reserves, Congestion, Syc Condensation

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4	
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Including transactions referred to as 'wheeling')				
<p>1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.</p> <p>2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).</p> <p>3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)</p> <p>4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.</p>				
Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)
1	Midwest Independent Operator (MISO)	Madison Gas & Electric Company	Various	OS
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
	TOTAL			

Name of Respondent Madison Gas and Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4	
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued) (Including transactions referred to as 'wheeling')						
<p>5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.</p> <p>6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.</p> <p>7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.</p> <p>8. Report in column (i) and (j) the total megawatthours received and delivered.</p>						
FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
Orig. Vol. 1	NA	NA		174		1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
			0	174	0	

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4	
TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued) (Including transactions referred to as 'wheeling')				
<p>9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.</p> <p>10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.</p> <p>11. Footnote entries and provide explanations following all required data.</p>				
REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS				
Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
		223,622	223,622	1
				2
				3
				4
				5
				6
				7
				8
				9
				10
				11
				12
				13
				14
				15
				16
				17
0	0	223,622	223,622	

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2004/Q4
Madison Gas and Electric Company			
FOOTNOTE DATA			

Schedule Page: 328 Line No.: 1 Column: i

Transmission service for others was provided as part of the MAPP Schedule F service schedule. As such, it is not possible to specifically identify the total MW hours that flowed through MGE's transmission system. MGE did receive loss compensation for 33 MW hours in third quarter of 2004 and has reported it as the MW hours received in Column (i) and has reported zero MW hours delivered in Column (j). This method was chosen to accurately track the losses received by MGE.

Schedule Page: 328 Line No.: 1 Column: m

Revenue from ancillary charges.

Name of Respondent Madison Gas and Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /		Year/Period of Report End of 2004/Q4		
TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565) (Including transactions referred to as "wheeling")								
<p>1. Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.</p> <p>2. In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.</p> <p>3. In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to-Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.</p> <p>4. Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.</p> <p>5. Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.</p> <p>6. Enter "TOTAL" in column (a) as the last line.</p> <p>7. Footnote entries and provide explanations following all required data.</p>								
Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			
			Magawatt-hours Received (c)	Magawatt-hours Delivered (d)	Demand Charges (\$) (e)	Energy Charges (\$) (f)	Other Charges (\$) (g)	Total Cost of Transmission (\$) (h)
1	Mid-American Power Pool	NF	3,350	3,350		2,148	200	2,348
2	Exelon	LFP	58,467	58,454	94,750		16,959	111,709
3	Exelon	SFP	219,247	219,247	341,101		50,876	391,977
4	Exelon	NF	483	483		10,287	2,570	12,857
5	Wisc. Public Service	OS	21,806	21,806			134,182	134,182
6	Illinois Power	NF	1	1		3		3
7	Dairyland Power Coop.	SFP	55,798	55,798	665,820			665,820
8	Omaha Power Dist.	OS	180	180			25	25
9	Department of Energy	OS	150	150			56	56
10	Midwest Indep. System	FNS	1,102,005	1,068,626		13,310,486		13,310,486
11	Midwest Indep. System	NF	105	105		3,272	56,662	59,954
12	PJM Interconnection	LFP	511,020	511,020	749,299		537,265	1,286,564
13	PJM Interconnection	SFP	88,088	88,088	112,395			112,395
14	PJM Interconnection	NF	56,882	56,882		33,117	73,849	106,966
15								
16								
	TOTAL		2,117,582	2,084,190	1,963,365	13,359,313	872,664	16,195,342

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2004/Q4
Madison Gas and Electric Company			
FOOTNOTE DATA			

Schedule Page: 332 Line No.: 1 Column: g
Administration Charge.
Schedule Page: 332 Line No.: 5 Column: g
Distribution and Dynamic Scheduling Fees.
Schedule Page: 332 Line No.: 11 Column: g
Scheduling Fees.
Schedule Page: 332 Line No.: 12 Column: g
Transmission Revenue Neutrality, Black Start, Expansion Integration, Transitional Market Expansion, Scheduling Charges/Credits.
Schedule Page: 332 Line No.: 14 Column: g
Transmission Revenue Neutrality Charges.

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MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)					
Line No.	Description (a)	Amount (b)			
1	Industry Association Dues	165,796			
2	Nuclear Power Research Expenses				
3	Other Experimental and General Research Expenses	81,706			
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	579,540			
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000				
6	Wisconsin Utility Public Benefits Program	204,319			
7	Administration of the Employee Benefit Program	229,195			
8	Directors' Fees and Expenses	144,060			
9	Meetings and Training	81,811			
10	Miscellaneous Payroll Charge	42,912			
11	Miscellaneous Dues	22,669			
12	Web Site Expenses	19,132			
13	Employee Communications	12,881			
14	WCCF Expenses	198,900			
15	Miscellaneous	33,473			
16					
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45					
46	TOTAL	1,816,394			

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4			
DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405) (Except amortization of acquisition adjustments)						
<p>1. Report in section A for the year the amounts for : (b) Depreciation Expense (Account 403; (c) Depreciation Expense for Asset Retirement Costs (Account 403.1; (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).</p> <p>2. Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.</p> <p>3. Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.</p> <p>Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.</p> <p>In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.</p> <p>For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.</p> <p>4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.</p>						
A. Summary of Depreciation and Amortization Charges						
Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Limited Term Electric Plant (Account 404) (d)	Amortization of Other Electric Plant (Acc 405) (e)	Total (f)
1	Intangible Plant					
2	Steam Production Plant	4,979,744				4,979,744
3	Nuclear Production Plant					
4	Hydraulic Production Plant-Conventional					
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant	2,397,257				2,397,257
7	Transmission Plant	873,873				873,873
8	Distribution Plant	8,273,540				8,273,540
9	General Plant	154,234				154,234
10	Common Plant-Electric	743,912		103,250		847,162
11	TOTAL	17,422,560		103,250		17,525,810
B. Basis for Amortization Charges						
Not Applicable.						

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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)							
C. Factors Used in Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	310.103	75	40.00		2.50		28.00
13	311.101	17,195	50.00	-10.00	2.20		28.20
14	311.102	13,475	51.00	-44.00	2.82		
15	312.101	36,586	40.00	-5.00	2.63		26.60
16	312.102	54,597	38.00	-12.00	2.95		
17	312.105	950	25.00	3.00	3.88		
18	312.106	6,627	10.00	-5.00			
19	314.101	19,128	44.00	-8.00	2.39		26.40
20	314.102	12,913	47.00	-5.00	2.30		
21	315.101	3,812	45.00	-5.00	2.33		17.60
22	315.102	3,780	43.00		2.44		
23	316.101	1,588	25.00		4.00		10.90
24	316.102	1,651	26.00		3.85		
25	316.105	190	12.00	20.00	6.67		
26	316.106	71	10.00				
27							
28	Subtotal	172,638					
29							
30	341.101	875	30.00	-5.00	3.50		
31	341.102	3,801	25.00	-5.00	4.20		
32	342.101	1,555	32.00	-5.00	3.28		
33	343.101	8,686	39.00	-5.00	2.69		
34	343.102	3,682	25.00	-5.00	4.20		
35	344.101	29,730	38.00	-5.00	2.76		
36	344.102	4,846	25.00	-5.00	4.20		
37	344.103	17,759	30.00	-5.00	3.50		
38	344.104	504	10.00		10.00		
39	345.101	1,906	38.00	-5.00	2.76		
40	345.102	922	25.00	-5.00	4.20		
41	345.103	397	30.00	-5.00	3.50		
42	346.101	124	20.00		5.00		
43	346.102	352	20.00		5.00		
44							
45	Subtotal	75,139					
46							
47							
48							
49							
50							

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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)							
C. Factors Used in Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	352	3,384	43.00	-5.00	2.44		40.20
13	353.101	23,543	34.00	5.00	2.79		32.50
14	353.103	3,378	40.00	-10.00	2.75		
15	355	599	40.00	-5.00	2.63		34.20
16	356.101	529	40.00		2.75		46.00
17	357	73	40.00		2.50		33.80
18	358	800	37.00		2.70		34.00
19							
20	Subtotal	32,306					
21							
22	361	1,576	36.00		2.78		32.50
23	362	22,112	40.00		2.50		21.60
24	364	20,796	30.00	-25.00	4.17	Iowa R1	16.40
25	365	24,014	30.00		3.33	Iowa R1	16.90
26	366	34,533	50.00		2.00	Iowa S4	41.50
27	367	68,942	32.00	10.00	2.81	Iowa S3	24.50
28	368	40,393	37.00	-20.00	3.24	Iowa R3	25.50
29	369.101	2,650	27.00	-25.00	4.63	Iowa R1	15.50
30	369.102	25,749	40.00	-10.00	2.75	Iowa S2	29.10
31	370	25,937	20.00		5.00	Iowa R3	20.60
32	371	4,142	13.00	10.00	6.92	Iowa R1	14.30
33	373	2,254	20.00	-2.00	5.10	Iowa R1	11.70
34							
35	Subtotal	273,098					
36							
37	394	1,658	20.00		5.00		
38	395	475	18.00		5.56		
39	397	23,782	10.00		10.00		
40							
41	Subtotal	25,915					
42							
43							
44							
45							
46							
47							
48							
49							
50	TOTAL - Composite	579,096					

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REGULATORY COMMISSION EXPENSES					
1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.					
2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.					
Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expense for Current Year (b) + (c) (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	PUBLIC SERVICE COMMISSION OF WISCONSIN				
2					
3	Docket 3270-UR-113:				
4	Request authority to change electric and				
5	natural gas rates	168,528	196,737	365,265	
6					
7	Docket 05-CE-121:				
8	Application for a Certification of Public				
9	Convenience and Necessity for construction				
10	of a large electric generating facility and				
11	associated high-voltage transmission and				
12	natural gas interconnection facilities located				
13	in Dane County	56,725	34,290	91,015	
14					
15	Docket 3270-UR-112:				
16	Request Authority to Change Electric and				
17	Natural Gas Rates	43,840	44,012	87,852	
18					
19	FEDERAL ENERGY REGULATORY COMMISSION				
20	Various dockets relative to judicial				
21	proceedings involving ANR Pipeline Company and				
22	Northern Natural Gas Company activities	4,163	270,416	274,579	
23					
24	Various dockets relative to judicial				
25	proceedings involving Midwest Independent				
26	Transmission System Operator activities		152,571	152,571	
27					
28					
29	MISCELLANEOUS (12 Items)	58,707	86,796	145,503	
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46	TOTAL	331,963	784,822	1,116,785	

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REGULATORY COMMISSION EXPENSES (Continued)

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
 4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.
 5. Minor items (less than \$25,000) may be grouped.

EXPENSES INCURRED DURING YEAR				AMORTIZED DURING YEAR			
CURRENTLY CHARGED TO			Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (l)	Line No.
Department (f)	Account No. (g)	Amount (h)					
							1
							2
							3
							4
Elec/Gas	928	365,265					5
							6
							7
							8
							9
							10
							11
							12
Electric	928	91,015					13
							14
							15
							16
Elec/Gas	928	87,852					17
							18
							19
							20
							21
Elec/Gas	928	274,579					22
							23
							24
							25
Elec/Gas	928	152,571					26
							27
							28
Elec/Gas	928	145,503					29
							30
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		1,116,785					46

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES

1. Describe and show below costs incurred and accounts charged during the year for technological research, development, and demonstration (R, D & D) project initiated, continued or concluded during the year. Report also support given to others during the year for jointly-sponsored projects. (Identify recipient regardless of affiliation.) For any R, D & D work carried with others, show separately the respondent's cost for the year and cost chargeable to others (See definition of research, development, and demonstration in Uniform System of Accounts).

2. Indicate in column (a) the applicable classification, as shown below:

Classifications:

A. Electric R, D & D Performed Internally:

(1) Generation

- a. hydroelectric
 - i. Recreation fish and wildlife
 - ii Other hydroelectric
- b. Fossil-fuel steam
- c. Internal combustion or gas turbine
- d. Nuclear
- e. Unconventional generation
- f. Siting and heat rejection

(3) Transmission

- a. Overhead
 - b. Underground
- (4) Distribution
- (5) Environment (other than equipment)
- (6) Other (Classify and include items in excess of \$5,000.)
- (7) Total Cost Incurred

B. Electric, R, D & D Performed Externally:

- (1) Research Support to the electrical Research Council or the Electric Power Research Institute

Line No.	Classification (a)	Description (b)
1	A(2)	Direct Load Management
2		
3	B(2)	
4		
5	B(4)	University of Wisconsin -Stray Voltage
6		
7	B(4)	University of Wisconsin-Milwaukee - Byproduct Utilization
8		
9	Total	
10		
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Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES (Continued)

- (2) Research Support to Edison Electric Institute
 (3) Research Support to Nuclear Power Groups
 (4) Research Support to Others (Classify)
 (5) Total Cost Incurred

3. Include in column (c) all R, D & D items performed internally and in column (d) those items performed outside the company costing \$5,000 or more, briefly describing the specific area of R, D & D (such as safety, corrosion control, pollution, automation, measurement, insulation, type of appliance, etc.). Group items under \$5,000 by classifications and indicate the number of items grouped. Under Other, (A (6) and B (4)) classify items by type of R, D & D activity.

4. Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107, Construction Work in Progress, first. Show in column (f) the amounts related to the account charged in column (e)

5. Show in column (g) the total unamortized accumulating of costs of projects. This total must equal the balance in Account 188, Research, Development, and Demonstration Expenditures, Outstanding at the end of the year.

6. If costs have not been segregated for R, D & D activities or projects, submit estimates for columns (c), (d), and (f) with such amounts identified by "Est."

7. Report separately research and related testing facilities operated by the respondent.

Costs Incurred Internally Current Year (c)	Costs Incurred Externally Current Year (d)	AMOUNTS CHARGED IN CURRENT YEAR		Unamortized Accumulation (g)	Line No.
		Account (e)	Amount (f)		
79,627		549	79,627		1
					2
					3
					4
	29,631	930	29,631		5
					6
	2,500	930	2,500		7
					8
79,627	32,131		111,758		9
					10
					11
					12
					13
					14
					15
					16
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DISTRIBUTION OF SALARIES AND WAGES					
Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.					
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)	
1	Electric				
2	Operation				
3	Production	4,534,826			
4	Transmission				
5	Distribution	3,632,444			
6	Customer Accounts	2,274,755			
7	Customer Service and Informational	1,940,853			
8	Sales				
9	Administrative and General	7,285,419			
10	TOTAL Operation (Enter Total of lines 3 thru 9)	19,668,297			
11	Maintenance				
12	Production	1,349,003			
13	Transmission				
14	Distribution	854,102			
15	Administrative and General	378			
16	TOTAL Maint. (Total of lines 12 thru 15)	2,203,483			
17	Total Operation and Maintenance				
18	Production (Enter Total of lines 3 and 12)	5,883,829			
19	Transmission (Enter Total of lines 4 and 13)				
20	Distribution (Enter Total of lines 5 and 14)	4,486,546			
21	Customer Accounts (Transcribe from line 6)	2,274,755			
22	Customer Service and Informational (Transcribe from line 7)	1,940,853			
23	Sales (Transcribe from line 8)				
24	Administrative and General (Enter Total of lines 9 and 15)	7,285,797			
25	TOTAL Oper. and Maint. (Total of lines 18 thru 24)	21,871,780	3,391,357	25,263,137	
26	Gas				
27	Operation				
28	Production-Manufactured Gas				
29	Production-Nat. Gas (Including Expl. and Dev.)				
30	Other Gas Supply	362,050			
31	Storage, LNG Terminating and Processing				
32	Transmission				
33	Distribution	3,239,494			
34	Customer Accounts	2,059,920			
35	Customer Service and Informational	1,766,323			
36	Sales				
37	Administrative and General	4,662,902			
38	TOTAL Operation (Enter Total of lines 28 thru 37)	12,090,689			
39	Maintenance				
40	Production-Manufactured Gas				
41	Production-Natural Gas				
42	Other Gas Supply				
43	Storage, LNG Terminating and Processing				
44	Transmission				
45	Distribution	995,646			
46	Administrative and General	33			
47	TOTAL Maint. (Enter Total of lines 40 thru 46)	995,679			

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DISTRIBUTION OF SALARIES AND WAGES (Continued)					
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)	
48	Total Operation and Maintenance				
49	Production-Manufactured Gas (Enter Total of lines 28 and 40)				
50	Production-Natural Gas (Including Expl. and Dev.) (Total lines 29,				
51	Other Gas Supply (Enter Total of lines 30 and 42)	362,050			
52	Storage, LNG Terminalling and Processing (Total of lines 31 thru				
53	Transmission (Lines 32 and 44)				
54	Distribution (Lines 33 and 45)	4,235,140			
55	Customer Accounts (Line 34)	2,059,920			
56	Customer Service and Informational (Line 35)	1,766,323			
57	Sales (Line 36)				
58	Administrative and General (Lines 37 and 46)	4,662,935			
59	TOTAL Operation and Maint. (Total of lines 49 thru 58)	13,086,368	1,952,635	15,039,003	
60	Other Utility Departments				
61	Operation and Maintenance				
62	TOTAL All Utility Dept. (Total of lines 25, 59, and 61)	34,958,148	5,343,992	40,302,140	
63	Utility Plant				
64	Construction (By Utility Departments)				
65	Electric Plant	4,623,420	1,029,520	5,652,940	
66	Gas Plant	2,326,565	172,584	2,499,149	
67	Other (provide details in footnote):				
68	TOTAL Construction (Total of lines 65 thru 67)	6,949,985	1,202,104	8,152,089	
69	Plant Removal (By Utility Departments)				
70	Electric Plant	173,504	26,510	200,014	
71	Gas Plant	117,807	18,000	135,807	
72	Other (provide details in footnote):				
73	TOTAL Plant Removal (Total of lines 70 thru 72)	291,311	44,510	335,821	
74	Other Accounts (Specify, provide details in footnote):				
75	Miscellaneous Accounts Receivable	156,572	23,923	180,495	
76	Merchandising, Jobbing, and Contract Work	82,278	12,572	94,850	
77	Miscellaneous Service Revenues - Electric	44,832	6,850	51,682	
78					
79					
80					
81					
82					
83					
84					
85					
86					
87					
88					
89					
90					
91					
92					
93					
94					
95	TOTAL Other Accounts	283,682	43,345	327,027	
96	TOTAL SALARIES AND WAGES	42,483,126	6,633,951	49,117,077	

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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COMMON UTILITY PLANT AND EXPENSES

1. Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by accounts as provided by Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.
2. Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the Common utility plant to which such accumulated provisions relate, including explanation of basis of allocation and factors used.
3. Give for the year the expenses of operation, maintenance, rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utility plant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.
4. Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.

COMMON UTILITY PLANT IN SERVICE GENERAL PLANT - 2004

	Plant Balance End-of-Year	Accumulated Provision for Depreciation End-of-Year
Intangible Plant - Software	\$ 6,147,275	\$ 164,765
Land and Land Rights.....	2,410,395	0
Structures and Improvements.....	23,213,860	8,043,354
Office Furniture and Equipment....	4,624,714	4,387,364
Data Handling Equipment.....	885,473	885,574
Computers.....	2,994,386	2,987,546
Stores Equipment.....	553,250	403,435
Tools and Shop Equipment.....	877,789	874,257
Power-Operated Equipment.....	988,900	733,197
Communications Equipment.....	1,445,911	610,186
Transportation Equipment.....	8,600,901	5,737,866
Retirement Work in Progress.....	0	(9,069)
	<u>\$52,742,854</u>	<u>\$24,818,475 (a)</u>

COMMON UTILITY PLANT IN SERVICE AND ACCUMULATED PROVISION FOR DEPRECIATION APPLICABLE TO UTILITY DEPARTMENTS

	Plant Balance End-of-Year Allocation to Utility Departments		Accumulated Provision for Depreciation End-of-Year	
	Amount	Percentage	Amount	Percentage
Electric.....	\$32,639,500	61.88	\$15,136,788	60.99
Gas.....	20,103,354	38.12	9,681,687	39.01
	<u>\$52,742,854</u>	<u>100.0</u>	<u>\$24,818,475</u>	<u>100.0</u>

(a) Depreciation:

	Allocation:	
Total Expense for Year	Electric Department	Gas Department
\$2,275,228	\$1,367,519	\$907,709
<u> </u>	<u> </u>	<u> </u>

The provision for depreciation of \$2,275,228 as shown above includes \$594,601 electric and \$350,252 gas depreciation on transportation and power-operated equipment. Allocation to utility departments of depreciation expense applicable to common property is based on allocation of common plant. Common plant operation and maintenance expenses and rents are not separately accounted for and, therefore, are not available.

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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MONTHLY TRANSMISSION SYSTEM PEAK LOAD

- (1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
- (2) Report on Column (b) by month the transmission system's peak load.
- (3) Report on Columns (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).
- (4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.

NAME OF SYSTEM:

Line No.	Month	Monthly Peak MW - Total	Day of Monthly Peak	Hour of Monthly Peak	Firm Network Service for Self	Firm Network Service for Others	Long-Term Firm Point-to-point Reservations	Other Long-Term Firm Service	Short-Term Firm Point-to-point Reservation	Other Service
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(f)	(f)	(f)
1	January									
2	February									
3	March									
4	Total for Quarter									
5	April									
6	May									
7	June									
8	Total for Quarter									
9	July									
10	August									
11	September									
12	Total for Quarter									
13	October									
14	November									
15	December									
16	Total for Quarter									
17	Total for Year to									

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Madison Gas and Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	/ /	2004/Q4
FOOTNOTE DATA			

Schedule Page: 400 Line No.: 17 Column: b

On January 1, 2001, Madison Gas and Electric transferred substantially all of its electric transmission facilities to American Transmission Company, LLC. Therefore, this page is not applicable to MGE.

Name of Respondent Madison Gas and Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
ELECTRIC ENERGY ACCOUNT					
Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.					
Line No.	Item (a)	MegaWatt Hours (b)	Line No.	Item (a)	MegaWatt Hours (b)
1	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	3,129,648
3	Steam	2,133,537	23	Requirements Sales for Resale (See instruction 4, page 311.)	
4	Nuclear		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	19,941
5	Hydro-Conventional		25	Energy Furnished Without Charge	
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	5,026
7	Other	55,521	27	Total Energy Losses	117,810
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	3,272,425
9	Net Generation (Enter Total of lines 3 through 8)	2,189,058			
10	Purchases	1,124,911			
11	Power Exchanges:				
12	Received	1,401			
13	Delivered	9,727			
14	Net Exchanges (Line 12 minus line 13)	-8,326			
15	Transmission For Other (Wheeling)				
16	Received	174			
17	Delivered				
18	Net Transmission for Other (Line 16 minus line 17)	174			
19	Transmission By Others Losses	-33,392			
20	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)	3,272,425			

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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MONTHLY PEAKS AND OUTPUT

- (1) Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non- integrated system.
- (2) Report on line 2 by month the system's output in Megawatt hours for each month.
- (3) Report on line 3 by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.
- (4) Report on line 4 by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.
- (5) Report on lines 5 and 6 the specified information for each monthly peak load reported on line 4.

NAME OF SYSTEM:

Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)
29	January	278,310	1,007	484	28	1900
30	February	260,240	5,077	468	5	1900
31	March	260,615	2,039	447	11	1900
32	April	243,236	871	445	29	1400
33	May	293,235	10,796	527	20	1600
34	June	283,951	-20,216	634	8	1600
35	July	278,734	18,988	633	20	1500
36	August	287,479	696	624	3	1600
37	September	284,068	299	582	2	1600
38	October	264,217	256	465	29	1400
39	November	254,618	206	469	30	1800
40	December	283,722	221	500	13	1800
41	TOTAL	3,272,425	20,240			

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content or the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

Line No.	Item (a)	Plant Name: <i>Blount Station</i> (b)	Plant Name: <i>Nine Springs</i> (c)
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear)	Steam	Gas Turbine
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	Conventional	Conventional
3	Year Originally Constructed	1902	1964
4	Year Last Unit was Installed	1968	1964
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	187.50	16.20
6	Net Peak Demand on Plant - MW (60 minutes)	0	0
7	Plant Hours Connected to Load	25654	22
8	Net Continuous Plant Capability (Megawatts)	199	18
9	When Not Limited by Condenser Water	199	0
10	When Limited by Condenser Water	196	0
11	Average Number of Employees	99	0
12	Net Generation, Exclusive of Plant Use - KWh	540458800	165500
13	Cost of Plant: Land and Land Rights	9500	0
14	Structures and Improvements	17194862	48356
15	Equipment Costs	61113280	3059939
16	Asset Retirement Costs	0	6071
17	Total Cost	78317642	3114366
18	Cost per KW of Installed Capacity (line 17/5) Including	417.6941	192.2448
19	Production Expenses: Oper, Supv, & Engr	126759	3931
20	Fuel	18402777	11330
21	Coolants and Water (Nuclear Plants Only)	0	0
22	Steam Expenses	2028366	0
23	Steam From Other Sources	0	0
24	Steam Transferred (Cr)	0	0
25	Electric Expenses	1336982	4819
26	Misc Steam (or Nuclear) Power Expenses	2073868	18327
27	Rents	0	0
28	Allowances	435318	0
29	Maintenance Supervision and Engineering	131343	5960
30	Maintenance of Structures	296536	2661
31	Maintenance of Boiler (or reactor) Plant	2605751	0
32	Maintenance of Electric Plant	1100754	74780
33	Maintenance of Misc Steam (or Nuclear) Plant	353048	5011
34	Total Production Expenses	28891502	126819
35	Expenses per Net KWh	0.0535	0.7663
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	Coal	Gas
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	Tons	Mcf.
38	Quantity (Units) of Fuel Burned	270469	967697
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	11165	999
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	37.540	6.333
41	Average Cost of Fuel per Unit Burned	37.342	6.333
42	Average Cost of Fuel Burned per Million BTU	1.672	6.339
43	Average Cost of Fuel Burned per KWh Net Gen	0.023	0.089
44	Average BTU per KWh Net Generation	0.000	13538.000

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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)(Continued)

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

Plant Name: <i>Sycamore - 2 Units</i> (d)			Plant Name: <i>Fitchburg - 2 Units</i> (e)			Plant Name: <i>Portable Generators</i> (f)			Line No.
Gas Turbine			Gas Turbine			Internal Combustion			1
Conventional			Conventional			Portable			2
1967			1973						3
1971			1973			1999			4
41.60			57.60			0.00			5
0			0			0			6
369			562			726			7
44			51			0			8
0			0			0			9
0			0			0			10
0			0			0			11
4309400			7607200			640000			12
0			0			0			13
82794			113345			0			14
4490476			3630711			18167452			15
0			0			0			16
4573270			3744056			18167452			17
109.9344			65.0010			0.0000			18
11363			13400			0			19
490291			859784			90662			20
0			0			0			21
0			0			0			22
0			0			0			23
0			0			0			24
13928			16426			0			25
52974			62472			0			26
189096			334478			0			27
0			0			0			28
17228			20316			0			29
7691			9070			0			30
0			0			0			31
178063			397058			0			32
14485			17082			0			33
975119			1730086			90662			34
0.2263			0.2274			0.1417			35
Gas		Oil	Gas		Oil	Oil			36
Mcf.		Bbls.	Mcf.		Bbls.	Bbls.			37
78569	0	11	137062	0	63	1175	0	0	38
1002	0	140461	1002	0	138035	139562	0	0	39
6.201	0.000	0.000	6.261	0.000	0.000	68.650	0.000	0.000	40
6.201	0.000	33.663	6.261	0.000	48.542	72.932	0.000	0.000	41
6.187	0.000	5.706	6.247	0.000	8.373	12.442	0.000	0.000	42
0.113	0.000	0.106	0.113	0.000	0.210	0.134	0.000	0.000	43
0.000	18290.000	0.000	0.000	18106.000	0.000	10758.000	0.000	0.000	44

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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)							
1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a term basis report the Btu content or the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.							
Line No.	Item (a)	Plant Name: M34/Marinette (b)		Plant Name: Wind Generators (c)			
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear)	Gas Turbine		Wind			
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	Conventional		Wind			
3	Year Originally Constructed	1999		1998			
4	Year Last Unit was Installed	2000		1999			
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	83.00		11.22			
6	Net Peak Demand on Plant - MW (60 minutes)	0		0			
7	Plant Hours Connected to Load	359		8760			
8	Net Continuous Plant Capability (Megawatts)	83		0			
9	When Not Limited by Condenser Water	0		0			
10	When Limited by Condenser Water	0		0			
11	Average Number of Employees	0		0			
12	Net Generation, Exclusive of Plant Use - KWh	20996000		21803000			
13	Cost of Plant: Land and Land Rights	0		0			
14	Structures and Improvements	627721		3800618			
15	Equipment Costs	30779408		9801802			
16	Asset Retirement Costs	0		625494			
17	Total Cost	31407129		14227914			
18	Cost per KW of Installed Capacity (line 17/5) Including	378.3991		1268.0850			
19	Production Expenses: Oper, Supv, & Engr	0		0			
20	Fuel	1892005		0			
21	Coolants and Water (Nuclear Plants Only)	0		0			
22	Steam Expenses	0		0			
23	Steam From Other Sources	0		0			
24	Steam Transferred (Cr)	0		0			
25	Electric Expenses	154330		3102			
26	Misc Steam (or Nuclear) Power Expenses	189889		49148			
27	Rents	41926		46561			
28	Allowances	0		0			
29	Maintenance Supervision and Engineering	0		0			
30	Maintenance of Structures	390		0			
31	Maintenance of Boiler (or reactor) Plant	0		0			
32	Maintenance of Electric Plant	425213		0			
33	Maintenance of Misc Steam (or Nuclear) Plant	0		0			
34	Total Production Expenses	2703753		98811			
35	Expenses per Net KWh	0.1288		0.0045			
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	Gas		Oil			
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	Mcf.		Bbls.			
38	Quantity (Units) of Fuel Burned	271410	0	0	0	0	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	1005	0	0	0	0	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	6.663	0.000	0.000	0.000	0.000	0.000
41	Average Cost of Fuel per Unit Burned	6.663	0.000	0.000	0.000	0.000	0.000
42	Average Cost of Fuel Burned per Million BTU	6.630	0.000	0.000	0.000	0.000	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.086	0.000	0.000	0.000	0.000	0.000
44	Average BTU per KWh Net Generation	12991.000	0.000	0.000	0.000	0.000	0.000

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)(Continued)

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

Plant Name: <i>Columbia 1</i> (d)			Plant Name: <i>Columbia 2</i> (e)			Plant Name: <i>Columbia Total</i> (f)			Line No.
Steam			Steam			Steam			1
Conventional			Conventional			Conventional			2
1975			1978			1975			3
1975			1978			1978			4
112.60			112.40			225.00			5
0			0			0			6
8020			7782			0			7
111			104			216			8
111			104			216			9
0			0			0			10
0			0			0			11
813098000			779980000			1593078000			12
0			0			436257			13
0			0			13475015			14
0			0			80779887			15
0			0			0			16
0			0			94691159			17
0.0000			0.0000			420.8496			18
0			0			72069			19
10488424			10316179			20804603			20
0			0			0			21
0			0			657479			22
0			0			0			23
0			0			0			24
0			0			273801			25
0			0			3037763			26
0			0			0			27
0			0			282597			28
0			0			72589			29
0			0			50043			30
0			0			1989168			31
0			0			325919			32
0			0			124437			33
10488424			10316179			27690468			34
0.0129			0.0132			0.0174			35
Coal		Oil	Coal		Oil	Coal		Oil	36
Tons		Bbls.	Tons		Bbls.	Tons		Bbls.	37
518729	0	1219	486380	0	1064	1005109	0	2283	38
8465	0	140890	8465	0	140890	8465	0	140890	39
20.900	0.000	47.134	20.900	0.000	47.134	20.900	0.000	47.134	40
20.902	0.000	43.295	20.869	0.000	45.930	20.886	0.000	44.523	41
1.235	0.000	7.317	1.233	0.000	7.762	1.234	0.000	7.524	42
0.013	0.000	0.000	0.013	0.000	0.000	0.013	0.000	0.000	43
0.000	10801.000	0.000	0.000	10557.000	0.000	0.000	10662.000	0.000	44

Name of Respondent Madison Gas and Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
SUBSTATIONS					
<p>1. Report below the information called for concerning substations of the respondent as of the end of the year.</p> <p>2. Substations which serve only one industrial or street railway customer should not be listed below.</p> <p>3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.</p> <p>4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).</p>					
Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Blackhawk	Distribution (U)	69.00	13.80	
2	Blackhawk	Distribution (U)	13.80	4.00	
3	Blount	Interconnect (U)	69.00	13.80	
4	Blount	Distribution (U)	69.00	13.80	
5	Blount	Distribution (U)	13.80	4.00	
6	Cross Plains	Distribution (U)	69.00	13.80	
7	East Campus	Distribution (U)	69.00	13.80	
8	East Campus	Distribution (U)	69.00	4.00	
9	East Campus	Distribution (U)	13.80	4.00	
10	East Towne	Distribution (U)	69.00	13.80	
11	Femrite	Distribution (U)	69.00	13.80	
12	Fitchburg	Distribution (U)	69.00	13.80	
13	Gateway	Distribution (U)	69.00	13.80	
14	Huiskamp	Distribution (U)	69.00	13.80	
15	Mendota	Distribution (U)	69.00	4.00	
16	Mendota	Distribution (U)	13.80	4.00	
17	Nine Springs	Distribution (U)	69.00	13.80	
18	Nine Springs	Distribution (U)	69.00	4.00	
19	Nine Springs	Distribution (U)	13.80	4.00	
20	Pflaum	Distribution (U)	69.00	13.80	
21	Pflaum	Distribution (U)	69.00	4.00	
22	Pheasant Branch	Distribution (U)	69.00	13.80	
23	Randall	Distribution (U)	13.80	4.00	
24	Royster	Distribution (U)	69.00	13.80	
25	Royster	Distribution (U)	69.00	4.00	
26	Ruskin	Distribution (U)	69.00	13.80	
27	Sprecher	Distribution (U)	69.00	13.80	
28	Sycamore	Distribution (U)	69.00	13.80	
29	Tokay	Distribution (U)	69.00	13.80	
30	University Hill Farms	Distribution (U)	13.80	4.00	
31	Walnut	Distribution (U)	69.00	13.80	
32	Walnut	Distribution (U)	13.80	4.00	
33	West Campus	Distribution (U)	13.80	4.00	
34	West Middleton	Distribution (U)	69.00	13.80	
35	West Towne	Distribution (U)	69.00	13.80	
36	Westport	Distribution (U)	69.00	13.80	
37	Wingra	Distribution (U)	69.00	13.80	
38	19 Substations < 10 MVA	Distribution (U)	13.80	4.00	
39	TOTALS		2070.00	377.40	
40					

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
30	1					1
7	2					2
128	4					3
20	1					4
70	9	1				5
10	1					6
60	2					7
5	1					8
10	2					9
40	2	1				10
18	2					11
40	2					12
10	1					13
32	2					14
5	1					15
7	1	1				16
40	2					17
10		2				18
3		1				19
20	1					20
5	1					21
40	2					22
21	8					23
20	1					24
5	1					25
40	2					26
30	2	1				27
32	2					28
20	1					29
10	2					30
60	2					31
4	2					32
10	2					33
30	2					34
40	2					35
10	1					36
40	2					37
122	41	1				38
1104	113	8				39
						40

INDEX

<u>Schedule</u>	<u>Page No.</u>
Accrued and prepaid taxes	262-263
Accumulated Deferred Income Taxes	234
	272-277
Accumulated provisions for depreciation of	
common utility plant	356
utility plant	219
utility plant (summary)	200-201
Advances	
from associated companies	256-257
Allowances	228-229
Amortization	
miscellaneous	340
of nuclear fuel	202-203
Appropriations of Retained Earnings	118-119
Associated Companies	
advances from	256-257
corporations controlled by respondent	103
control over respondent	102
interest on debt to	256-257
Attestation	i
Balance sheet	
comparative	110-113
notes to	122-123
Bonds	256-257
Capital Stock	251
expense	254
premiums	252
reacquired	251
subscribed	252
Cash flows, statement of	120-121
Changes	
important during year	108-109
Construction	
work in progress - common utility plant	356
work in progress - electric	216
work in progress - other utility departments	200-201
Control	
corporations controlled by respondent	103
over respondent	102
Corporation	
controlled by	103
incorporated	101
CPA, background information on	101
CPA Certification, this report form	i-ii

INDEX (continued)

<u>Schedule</u>	<u>Page No.</u>
Deferred	
credits, other	269
debts, miscellaneous	233
income taxes accumulated - accelerated	
amortization property	272-273
income taxes accumulated - other property	274-275
income taxes accumulated - other	276-277
income taxes accumulated - pollution control facilities	234
Definitions, this report form	iii
Depreciation and amortization	
of common utility plant	356
of electric plant	219
	336-337
Directors	105
Discount - premium on long-term debt	256-257
Distribution of salaries and wages	354-355
Dividend appropriations	118-119
Earnings, Retained	118-119
Electric energy account	401
Expenses	
electric operation and maintenance	320-323
electric operation and maintenance, summary	323
unamortized debt	256
Extraordinary property losses	230
Filing requirements, this report form	
General information	101
Instructions for filing the FERC Form 1	i-iv
Generating plant statistics	
hydroelectric (large)	406-407
pumped storage (large)	408-409
small plants	410-411
steam-electric (large)	402-403
Hydro-electric generating plant statistics	406-407
Identification	101
Important changes during year	108-109
Income	
statement of, by departments	114-117
statement of, for the year (see also revenues)	114-117
deductions, miscellaneous amortization	340
deductions, other income deduction	340
deductions, other interest charges	340
Incorporation information	101

<u>Schedule</u>	<u>Page No.</u>
Interest	
charges, paid on long-term debt, advances, etc	256-257
Investments	
nonutility property	221
subsidiary companies	224-225
Investment tax credits, accumulated deferred	266-267
Law, excerpts applicable to this report form	iv
List of schedules, this report form	2-4
Long-term debt	256-257
Losses-Extraordinary property	230
Materials and supplies	227
Miscellaneous general expenses	335
Notes	
to balance sheet	122-123
to statement of changes in financial position	122-123
to statement of income	122-123
to statement of retained earnings	122-123
Nonutility property	221
Nuclear fuel materials	202-203
Nuclear generating plant, statistics	402-403
Officers and officers' salaries	104
Operating	
expenses-electric	320-323
expenses-electric (summary)	323
Other	
paid-in capital	253
donations received from stockholders	253
gains on resale or cancellation of reacquired	
capital stock	253
miscellaneous paid-in capital	253
reduction in par or stated value of capital stock	253
regulatory assets	232
regulatory liabilities	278
Peaks, monthly, and output	401
Plant, Common utility	
accumulated provision for depreciation	356
acquisition adjustments	356
allocated to utility departments	356
completed construction not classified	356
construction work in progress	356
expenses	356
held for future use	356
in service	356
leased to others	356
Plant data	336-337
	401-429

INDEX (continued)

<u>Schedule</u>	<u>Page No.</u>
Plant - electric	
accumulated provision for depreciation	219
construction work in progress	216
held for future use	214
in service	204-207
leased to others	213
Plant - utility and accumulated provisions for depreciation	
amortization and depletion (summary)	201
Pollution control facilities, accumulated deferred	
income taxes	234
Power Exchanges	326-327
Premium and discount on long-term debt	256
Premium on capital stock	251
Prepaid taxes	262-263
Property - losses, extraordinary	230
Pumped storage generating plant statistics	408-409
Purchased power (including power exchanges)	326-327
Reacquired capital stock	250
Reacquired long-term debt	256-257
Receivers' certificates	256-257
Reconciliation of reported net income with taxable income	
from Federal income taxes	261
Regulatory commission expenses deferred	233
Regulatory commission expenses for year	350-351
Research, development and demonstration activities	352-353
Retained Earnings	
amortization reserve Federal	119
appropriated	118-119
statement of, for the year	118-119
unappropriated	118-119
Revenues - electric operating	300-301
Salaries and wages	
directors fees	105
distribution of	354-355
officers'	104
Sales of electricity by rate schedules	304
Sales - for resale	310-311
Salvage - nuclear fuel	202-203
Schedules, this report form	2-4
Securities	
exchange registration	250-251
Statement of Cash Flows	120-121
Statement of income for the year	114-117
Statement of retained earnings for the year	118-119
Steam-electric generating plant statistics	402-403
Substations	426
Supplies - materials and	227

INDEX (continued)

<u>Schedule</u>	<u>Page No.</u>
<u>Taxes</u>	
accrued and prepaid	262-263
charged during year	262-263
on income, deferred and accumulated	234
reconciliation of net income with taxable income for	272-277
Transformers, line - electric	261
Transmission	429
lines added during year	424-425
lines statistics	422-423
of electricity for others	328-330
of electricity by others	332
Unamortized	
debt discount	256-257
debt expense	256-257
premium on debt	256-257
Unrecovered Plant and Regulatory Study Costs	230

Name of Respondent	This Report Is:	Date of Report:	Year of Report
Madison Gas and Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	Dec. 31, 2004

LIST OF SUPPLEMENTARY SCHEDULES			
Enter in column (d) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages.		Omit pages where the responses are "none," "not applicable," or "NA."	
Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
FINANCIAL SECTION			
Return On Common Equity	F-9	Ed. 12-89	None
Return On Rate Base Computation	F-10	Ed. 12-89	
Construction Overheads	F-16	Ed. 12-89	
Completed Construction Cleared	F-16	Ed. 12-89	
Investments & Funds (Accts. 123-128, incl.)	F-18	Ed. 12-89	
Accounts Receivable	F-19	Ed. 12-89	
Accumulated Provision For Uncollectible Accounts	F-20	Ed. 12-89	
Miscellaneous Current & Accrued Assets	F-22	Ed. 12-89	
Unamortized Debt Discount & Expense	F-24	Ed. 12-89	
And Unamortized Premium On Debt	F-25	Ed. 12-89	
Notes Payable (Acct. 231)	F-33	Ed. 12-89	
Miscellaneous Current & Accrued Liabilities	F-34	Ed. 12-89	
Distribution Of Taxes To Accounts	F-36	Ed. 12-89	
Interest & Dividend Income (Acct. 419)	F-43	Ed. 12-89	
Detail Of Certain General Expense Accounts	F-50	Ed. 12-89	
Common Utility Plant & Accumulated Depreciation	F-52	Ed. 12-89	
ELECTRIC OPERATING SECTION			
Electric Expenses	E-1	Ed. 12-89	None
Sales To Ultimate Customers	E-2	Ed. 12-89	
Power Adjustment Clause	E-5	Ed. 12-89	
Accumulated Provision For Depreciation Of Plant	E-24	Ed. 12-89	
Monthly Peaks & Output	E-29	Ed. 12-89	
Generation Summary Worksheet	E-36	Ed. 12-89	
Coal Contract Information	E-40	Ed. 12-89	
Electric Distribution Lines	E-63	Ed. 12-89	
Names of Cities, Villages, Towns	E-66	Ed. 12-89	
Electric System Map	-	-	
GAS OPERATING SECTION			
Names of Cities, Villages, Towns	G-1	Ed. 12-89	None None
Gas Operating Expenses	G-3	Ed. 12-89	
Revenues From Sales Of Gas	G-4	Ed. 12-89	
Gas Operation & Maintenance Expenses	G-7	Ed. 12-89	
Gas Utility Plant In Service	204-207	Ed. 12-89	
Accumulated Provision For Depreciation (Acct. 108)	G-12	Ed. 12-89	
Gas Production Statistics	G-14	Ed. 12-89	
Gas Holders	G-14	Ed. 12-89	
Liquid Petroleum Gas Storage	G-14	Ed. 12-89	
Liquified Natural Gas Stored (Acct. 165)	G-15	Ed. 11-01	
Liquified Natural Gas Storage Statistics	G-15	Ed. 11-01	
Summary Of Gas Account	G-16	Ed. 12-89	
Summary Of System Load Statistics	G-16	Ed. 12-89	
Purchased Gas	G-18	Ed. 12-89	
Gas Mains By Types & Size	G-20	Ed. 12-89	
Gas Services (Located In Wisconsin)	G-21	Ed. 12-89	
Gas Services (Located Outside Wisconsin)	G-21	Ed. 12-89	
Gas Meters	G-22	Ed. 12-89	
Gas System Maps	-	-	
Hirschman-Herfindahl Index Form	G-23	Ed. 12-97	
Gas Stored (Accts. 117, 164.1, 164.2, and 164.3)	220	Ed. 12-87	
Detail of Stored Gas Account, Acct. 164.1	220 Supplemental	Ed. 11-01	
(con't on next page)			

Name of Respondent	This Report Is:	Date of Report:	Year of Report
Madison Gas and Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	Dec. 31, 2004

LIST OF SUPPLEMENTARY SCHEDULES			
Enter in column (d) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages.		Omit pages where the responses are "none," "not applicable," or "NA."	
Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
SELECTED FERC SCHEDULES			
Security Holders and Voting Powers	106-107		
Construction Overheads - Electric	217		
General Description of Construction			
Overhead Procedure	218		
Nonutility Property	221		
Capital Stock Subscribed, Capital Stock			
Liability for Conversion Premium on			
Capital Stock and Installments Received			
on Capital Stock	252		
Discount on Capital Stock	254		None
Number of Electric Department Employees	323		
Particulars Concerning Certain Income			
Deductions and Interest Charges	340		
Electric Distribution Meters and Line			
Transformers	429		

RETURN ON COMMON EQUITY AND COMMON EQUITY PLUS ITC COMPUTATIONS

Note: Report on a corporate basis only; not consolidated. If you file monthly rate of return forms with the PSC, use the same method for completing this form. Use the average of the 12 monthly averages when computing average common equity.

Description (a)	Thousands of Dollars	
	Common Equity (b)	Common Equity plus ITC (c)
Common Stock Outstanding	\$17,348	\$17,348
Premium on Capital Stock	173,927	173,927
Capital Stock Expense	0	0
Retained Earnings	84,761	84,761
Deferred Investment Tax Credit (Only common equity portion if Form PSC-AF6 is filed on monthly basis with the Commission)	0	2,704
Other (Specify): Less: Nonutility Investments	18,969	18,969
Total Average Common Stock Equity plus Deferred Investment Tax Credit (sum of lines 14 thru 25)	\$257,066	\$259,771
Net Income		
Add:		
Net Income	\$32,101	\$32,101
Other (Specify): Non-utility income	0	0
Less:		
Preferred Dividends	0	0
Other (Specify): (If Form PSC-AF6 is filed with the Commission, net income must be reduced by that portion of net income representing debt cost of deferred investment tax credit as shown on the form.)	0	(117)
American Transmission Company (ATC) - Equity Earnings (net of tax)	(2,580)	(2,580)
Adjusted Net Income	\$29,521	\$29,404
Percent return (line 43 divided by line 27 to the nearest hundredth of a percent)	11.48%	11.32%

RETURN ON RATE BASE COMPUTATION

Note: Report on a corporate basis only; not consolidated. If you file monthly rate of return forms with the PSC, use the same method for completing this form. Use the average of the 12 monthly averages when computing the rate base.

Thousands of Dollars

Average Rate Base (a)	Electric (b)	Gas (c)	Other (d)	Total (e)
Add Average:				
Utility Plant In Service	\$562,692	\$217,915	\$0	\$780,607
Allocation Of Common Plant	28,356	18,435	0	46,791
Completed Construction not Classified	0	0	0	0
Nuclear Fuel	0	0	0	0
Materials and Supplies	12,215	16,782	0	28,997
Other (Specify):				
Nuclear Decommissioning Fund	0	0	0	0
Less Average:				
Reserve for Depreciation	311,444	147,510	0	458,954
Amortization Reserves	0	0	0	0
Customer Advances For Construction	1,259	113	0	1,372
Contribution in Aid of Construction	0	0	0	0
Other (Specify):				
*Results of 13-Month Average				
Average Net Rate Base*	\$290,560	\$105,509	\$0	\$396,069
RETURN				
Total Operating Income	\$30,331	\$10,694	\$0	\$41,025
Less: (Specify):				
Add:	0	0	0	0
Adjusted Operating Income	\$30,331	\$10,694	\$0	\$41,025
Adjusted Operating Income As A Percent Of Average Net Rate Base (Rounded To Nearest Hundredth of a Percent)	10.44%	10.14%	0%	10.36%

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

Report data necessary to calculate revenue subject to Wisconsin remainder assessment. For purposes of this schedule "out-of-state" and "in-state" refer to the geographic state of Wisconsin

Description (a)	This Year (b)
Operating revenues	\$430,177,787
Less: out-of-state operating revenues	0
Less: in-state interdepartmental sales	(8,029,198)
Less: current year write-offs of uncollectible accounts, Wisconsin utility customers only	(2,461,790)
Plus: current year collection of Wisconsin utility customer accounts previously written off	430,982
Other	0
Revenues subject to Wisconsin remainder assessment	\$420,117,781

Report hereunder the total overheads and the total direct cost of construction for the year. Projects under \$1,000,000 for class A utilities and \$500,000 for class B utilities, should be grouped by utility department and function.

ANNUAL CHARGES				
Project Description (a)	Direct Charges			
	Company Labor (b)	Company Materials (c)	Contractor Payments (d)	Other (e)
ELECTRIC DEPARTMENT				
Turbine No. 7 Rebuild	37,447	3,739	824,511	
Blount Spot Network Substation	33,545	32,639	1,465,719	(28,034)
Projects Under \$1,000,000	(2,030,880)	3,199,007	17,922,790	54,671
Total Electric	(1,959,888)	3,235,385	20,213,020	26,637
GAS DEPARTMENT				
Projects Under \$1,000,000	873,482	1,659,317	4,456,860	(89,586)
Total Gas	873,482	1,659,317	4,456,860	(89,586)
COMMON DEPARTMENT				
Financial Accounting Software	416,717		1,274,487	
Projects Under \$1,000,000	219,502	(153,206)	3,272,491	(17,870)
Total Common	636,219	(153,206)	4,546,978	(17,870)
Total	(\$450,187)	\$4,741,496	\$29,216,858	(\$80,819)
% Of Total Direct Charges				

COMPLETED CONSTRUCTION CLEARED

Report hereunder the total cost of completed construction projects cleared from account 107 during the year. Projects under \$1,000,000 for class A utilities and \$500,000 for class B utilities, should be grouped by utility department and function.

Project Description (a)	Direct Charges			
	Company Labor (b)	Company Materials (c)	Contractor Payments (d)	Other (e)
ELECTRIC DEPARTMENT				
Turbine No. 7 Rebuild	105,336	9,923	1,303,238	0
Wingra Substation Addition	55,935	86,845	1,114,795	12,307
Tokay Substation	58,013	109,931	2,602,257	(12,437)
Projects Under \$1,000,000	2,081,580	3,825,995	16,718,894	74,461
Total Electric	2,300,864	4,032,694	21,739,184	74,331
GAS DEPARTMENT				
Projects Under \$1,000,000	1,003,092	1,316,074	3,881,575	(166,080)
Total Gas	1,003,092	1,316,074	3,881,575	(166,080)
COMMON DEPARTMENT				
Financial Accounting Software	416,717		1,665,871	
EMS Operating Software	225,289	373	1,402,311	12,377
Projects Under \$1,000,000	670,911	1,503	3,571,487	(17,022)
Total Common	1,312,917	1,876	6,639,669	(4,645)
Total	\$4,616,873	\$5,350,644	\$32,260,428	(\$96,394)
% Of Total Direct Charges				

May not cross-check due to rounding.

CONSTRUCTION OVERHEADS (Continued)

Report hereunder the total overheads and the total direct cost of construction for the year. Projects under \$1,000,000 for class A utilities and \$500,000 for class B utilities, should be grouped by utility department and function.

ANNUAL CHARGES					
Overheads					
Total Direct Charges (f)	Engineering & Supervision (g)	Administration and General (h)	Allowance for Funds Used (i)	Taxes & Other (j)	Total Columns (f+g+h+i+j) (k)
					0
865,697	101,276	41,431	44,719	24,626	1,077,749
1,503,869			17,540	18,216	1,539,625
19,145,588	4,288,644	894,622	360,272	2,168,427	26,857,553
21,515,154	4,389,920	936,053	422,531	2,211,269	29,474,927
6,900,073	1,131,291	339,436	84,354	858,046	9,313,200
6,900,073	1,131,291	339,436	84,354	858,046	9,313,200
1,691,204	0		46,489	199,333	1,937,026
3,320,917	0	3,608	141,023	104,221	3,569,769
5,012,121	0	3,608	187,512	303,554	5,506,795
\$33,427,348	\$5,521,211	\$1,279,097	\$694,397	\$3,372,869	\$44,294,922
	16.52%	3.83%	2.08%	10.09%	

COMPLETED CONSTRUCTION CLEARED (Continued)

Report hereunder the total cost of completed construction projects cleared from account 107 during the year. Projects under \$1,000,000 for class A utilities and \$500,000 for class B utilities, should be grouped by utility department and function.

Overheads					
Total Direct Charges (f)	Engineering & Supervision (g)	Administration and General (h)	Allowance for Funds Used (i)	Taxes & Other (j)	Total Columns (f+g+h+i+j) (k)
0	0	0	0	0	0
1,418,497	101,276	41,431	49,528	66,452	1,677,184
1,269,882	226,145	36,130	29,673	38,581	1,600,411
2,757,764	485,452	77,557	76,347	38,384	3,435,504
22,700,930	3,577,047	780,935	791,089	1,175,577	29,025,578
28,147,073	4,389,920	936,053	946,637	1,318,994	35,738,677
6,034,661	1,130,485	339,195	85,130	453,939	8,043,410
6,034,661	1,130,485	339,195	85,130	453,939	8,043,410
2,082,588	0		48,432	199,333	2,330,353
1,640,350	0		93,617	110,262	1,844,229
4,226,879	0	3,608	119,613	269,679	4,619,779
7,949,817	0	3,608	261,662	579,274	8,794,361
\$42,131,551	\$5,520,405	\$1,278,856	\$1,293,429	\$2,352,207	\$52,576,448
	13.10%	3.04%	3.07%	5.58%	

May not cross-check due to rounding.

INVESTMENTS AND FUNDS (ACCTS. 123-128, incl.)

1. Report, with separate subheadings for each account the securities owned by the utility; include date of issue and date of maturity in description of any debt securities owned. Designate any securities pledged and explain purpose of pledge in footnote. Minor investments included in Acct. 124 may be grouped by classes.
2. Report separately each fund account showing nature of assets included therein and list any securities included in fund accounts.

Issuing Company And Type of Security (a)	Interest or Divid- end Rate (b)	Par Value per Share (c)	No. of Shares or Principal Amount (d)	Book Cost End Of Year (e)
<u>Account 124 - Other Investments</u>				
Capital Formation			1,103,636	\$1,103,636
Promissory Notes - Gas Advances			1,417,038	1,417,038
Dane Fund (Loan)			30,000	30,000
American Transmission Company			32,542,156	32,542,156
Orion Lighting, Ltd.			60,000	60,000
Total - Acct. 124			35,152,830	\$35,152,830

ACCOUNTS RECEIVABLE (Accts. 142-143)

Particulars (a)	Amount end of year (b)	
Customer accounts receivable (142):		
Electric department)	\$0	
Gas department)	0	
Water department	0	
Other -	36,662,858	
Total utility service	\$36,662,858	
Merchandising, jobbing and contract work	218,665	
Total (Acct. 142)	\$36,881,523	
Other accounts receivable (143):		
Officers and employees	\$0	
Subscriptions to capital stock	0	
All other (List separately only the large or unusual items):		
American Transmission Company	\$13,101,143	
Shared Savings Program	354,678	
Taxes Receivable	127,837	
Vendor Settlement	85,690	
Joint Trenching Charges	187,523	
Other - 254 Items	490,502	
Heating Degree Day Hedge	305,000	
Columbia - True-Up	258,659	
BNSF - Columbia	144,719	
Leased Equipment	159,232	
Border States Electric Supply	389,020	
DiMaggio, M. Dept. Public Works	81,574	
Hartford Steam Boiler	149,675	
City of Madison	339,015	
Total	\$16,174,267	

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS - CR (Acct. 144)

Particulars (a)	Electric Utility Customers (b)	Gas Utility Customers (c)	Other Customers (d)	Total Utility Customers (e)
Balance first of year	\$1,001,356	\$1,575,302	\$0	\$2,576,658
Add: Provision for uncollectibles during year	1,150,340	929,971	0	2,080,311
Collection of accounts written off	293,252	137,730	0	430,982
Other credits (explain):	0	0	0	0
Total credits	1,443,592	1,067,701	0	2,511,293
Less: Accounts written off	1,477,603	984,187	0	2,461,790
Other debits (explain):	0	0	0	0
Total debits	1,477,603	984,187	0	2,461,790
Balance end of year	\$967,345	\$1,658,816	\$0	\$2,626,161

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS - CR (Acct. 144)(cont.)

Particulars (a)	Total Utility Customers (g)	Officers & Employees (h)	Other (i)	Total (j)
Balance first of year	\$2,576,658	\$0	\$158,790	\$2,735,448
Add: Provision for uncollectibles during year	2,080,311	0	26,400	2,106,711
Collection of accounts written off	430,982	0	887	431,869
Other credits (explain):	0	0	0	0
Total credits	2,511,293	0	27,287	2,538,580
Less: Accounts written off	2,461,790	0	57,390	2,519,180
Other debits (explain):	0	0	0	0
Total debits	2,461,790	0	57,390	2,519,180
Balance end of year	\$2,626,161	\$0	\$128,687	\$2,754,848
Loss on Wisconsin utility accounts:				
Accounts written off				\$2,461,790
Collection of such accounts previously written off				(430,982)
Net loss				\$2,030,808

Notes to explain "other" on lines 11, 14, 26 & 29 above:

UNAMORTIZED DEBT DISCOUNT AND EXPENSE

Report below the particulars called for with respect to the unamortized debt discount and expense or net premium applicable to each class and series of long-term debt. Show separately any unamortized debt discount and expense or call premiums applicable to refunded issues, including separate subtotal therefor. Show in column (a) the method of amortization for each amount of debt discount and expense or premium.

Explain any charges or credits in column (c) and (d) other than amortization in Acct. 428 or 429.

Debt to which related
(a)

Unamortized Debt Discount and Expense (181):*

First Mortgage Bonds
7.70%, 2028 Series

Medium-Term Notes
6.02%, 2008 Series
7.49%, 2007 Series
5.875%, 2034 Series
4.875%, 2012 Series
6.58%, 2012 Series
7.12%, 2032 Series
5.26%, 2017 Series
Variable %, 2004 Series
6.12%, 2028 Series
5.68%, 2033 Series
Total

Unamortized Discount on Long-Term Debt (226):*

7.70%, 2028 Series
6.58%, 2012 Series
7.12%, 2032 Series
5.875%, 2034 Series
4.875%, 2012 Series

Total

*The straight-line method is used for all amortizations.

Total

UNAMORTIZED DEBT DISCOUNT AND EXPENSE

AND UNAMORTIZED PREMIUM ON DEBT (Accts. 181,251)

Report below the particulars called for with respect to the unamortized debt discount and expense or net premium applicable to each class and series of long-term debt. Show separately any unamortized debt discount and expense or call premiums applicable to refunded issues, including separate subtotal therefor. Show in column (a) the method of amortization for each amount of debt discount and expense or premium.

Explain any charges or credits in column (c) and (d) other than amortization in Acct. 428 or 429.

Discount and expense or (net premium) balance first of year (b)	Charges during year (c)	Credits during year (d)	Balance end of year (e)
\$1,047,045	\$0	\$43,401	\$1,003,644
199,046	0	42,275	156,771
61,457	0	16,511	44,946
825,937	0	26,860	799,077
439,159	0	18,490	420,669
487,133	7,583	59,046	435,670
966,457	12,639	34,211	944,885
127,265	4,072	9,256	122,081
26,447	0	26,447	0
999,399	16,811	41,820	974,390
316,474	111,647	13,153	414,968
\$5,495,819	\$152,752	\$331,470	\$5,317,101
\$253,993	\$0	\$10,529	\$243,464
84,055	0	10,188	73,867
159,903	0	5,660	154,243
620,276	0	20,172	600,104
178,366	0	7,510	170,856
\$1,296,593	\$0	\$54,059	\$1,242,534

NOTES PAYABLE (Acct. 231)

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Name of payee and purpose for which issued (a)	Date of note (b)	Date of maturity (c)	Interest rate (d)	Balance end of year (e)	4
					5
					6
Commercial Paper Note	12/15/04	01/18/05	2.40%	\$4,000,000	7
Commercial Paper Note	12/27/04	01/25/05	2.42%	25,775,000	8
Commercial Paper Note	12/30/04	01/31/05	2.40%	9,500,000	9
Commercial Paper Note	12/31/04	01/18/05	2.38%	1,000,000	10
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					27
Total				\$40,275,000	28

MISC. CURRENT AND ACCRUED LIABILITIES (Acct. 242)

Minor items may be grouped by classes.

Description (a)	Balance end of Year (b)
Hospital and Medical Claims	\$499,379
Accrued Rents Payable	162,430
Accrued Salaries, Wages, and Compensation	2,323,000
Vacation Pay Accrued	3,882,761
Estimated Purchased Gas Adjustment - Overcollection	4,478,457
Claims Liability from Liquidated Subsidiaries	132,250
Energy Assistance Fund	57,425
Miscellaneous Payroll Deductions	61,339
Donation Payable to the MGE Foundation	1,500,000
Cash Overdraft Reclass	1,188,193
Other Current Liabilities	154,247
Retirement Annuity	489,716
Total	\$14,929,197

DISTRIBUTION OF TAXES TO ACCOUNTS

Explain basis for allocation if used.

If the total does not equal taxes accrued, include a reconciling schedule.

Function (a)	Wisconsin License Fee (b)	Wisconsin Income Tax (c)	Federal Income Tax (d)	FICA and Fed. and State Un- employment Tax (e)
Accts. 408.1 and 409.1:				
Electric	\$7,707,372	\$2,218,635	\$5,509,233	\$1,941,417
Gas	1,624,404	1,113,823	3,656,350	989,053
Water	0	0	0	0
Heating	0	0	0	0
Accts. 408.2 and 409.2	0	(185,391)	(1,119,923)	7,347
Acct. 409.3	0	0	0	0
Clearing accounts	0	0	0	656,500
Construction	0	0	0	557,818
Other (specify):				
Acct. 142 - Accts. Receivable	0	0	0	0
Acct. 143 - Accts. Receivable	0	0	0	0
Acct. 190 - Deferred Taxes	0	10,801	44,073	0
Acct. 282 - Deferred Taxes	0	324,380	1,323,600	0
Acct. 283 - Deferred Taxes	0	(309,305)	(1,274,001)	0
Acct. 426 - Misc Expenses	0	0	200	0
Total	\$9,331,776	\$3,172,943	\$8,139,532	\$4,152,135

Notes and explanations regarding tax distributions:

DISTRIBUTION OF TAXES TO ACCOUNTS (Cont.)

PSC Remainder Assessment (f)	Local Property Tax (g)	State and Local Taxes Other Than Wisconsin (h)	Other Taxes (i)	Total (j)
\$282,458	\$0	\$0	\$0	\$17,659,115
167,990	0	0	0	7,551,620
0	0	0	0	0
0	0	0	0	0
0	37,251	0	0	(1,260,716)
0	0	0	0	0
0	0	0	(22)	656,478
0	0	0	0	557,818
0	0	0	1,049	1,049
0	0	0	0	0
0	0	0	0	54,874
0	0	0	0	1,647,980
0	0	0	0	(1,583,306)
0	0	0	0	200
\$450,448	\$37,251	\$0	\$1,027	\$25,285,112

INTEREST AND DIVIDEND INCOME (Acct. 419)

Security or account on which received (a)	Interest or dividend rate (b)	Amount (c)
(List items greater than \$10,000 separately; others may be grouped):		
Commercial Paper	1.12% to 2.42%	\$49,899
Collection of Accounts Written Off	6.0% to 9.0%	32,609
Items Less Than \$10,000	Various	7,037
Amortization of Tax Settlements	6.0% to 9.0%	440,519
ATC/WCCF Advance	1.18% to 1.82%	225,442
Total interest and dividends		
		\$755,506
Expenses applicable to above (as listed hereunder): None		
Total expenses		
Interest and dividend income, before taxes		\$755,506

DETAIL OF CERTAIN GENERAL EXPENSE ACCOUNTS

Description of item (a)	Amount (b)	
Acct. 923--OUTSIDE SERVICES EMPLOYED--State total cost, nature of service, and name of each person who was paid for services includible in this account, \$10,000 or more in case of Class B utilities and \$25,000 or more in case of Class A utilities.		
Cullen, Weston, Pines & Bach - Legal Services	\$359,349	
DeWitt, Ross & Stevens - Legal Services	198,554	
Wimmer & Company, S.C. - Consulting Services	78,000	
PricewaterhouseCoopers LLP - Audit and Sundry Financial Services	935,766	
EPRI Solutions - Consulting Services	60,000	
Protiviti Consulting - Consulting Services	1,977,938	
Wood Communications Group - Consulting Services	208,578	
Stafford Rosenbaum LLP - Legal Services	1,015,685	
Sidley, Austin, Brown & Wood - Legal Services	168,205	
Virchow Krause and Company, LLP - Financial Services	30,843	
Frank B. Manley & Company - Consulting Services	37,339	
Berbee Information Networks Corp. - Consulting Services	81,228	
Hunton & Williams - Legal Services	378,069	
Lafollette, Godfrey & Kahn - Legal Services	78,265	
Entium Technology Partners - Consulting Services	67,498	
Michael Best and Friedrich - Legal Services	32,719	
Madison Productions - Software Services	56,246	
(Continued on F-50, Copy 2)		
Total		
Acct. 924--PROPERTY INSURANCE--List hereunder major classes of expenses and also state extent to which utility is self-insured against insurable risks to its property:		
Premiums for insurance	\$607,732	
Dividends received from insurance companies--cr.	0	
Amounts credited to Acct. 261, Property Insurance Reserve	0	
Other expenses (list major classes):	0	
The Company is self-insured against property damage as follows:		
(a) Generating Station Boiler Perils - \$250,000 deductible		
(b) Generating Station Transformers - \$250,000 deductible minimum		
(c) Transformer Damage - \$1.50 deductible per KVA, \$50,000 minimum		
(d) Property Damage:		
Office and Service Centers - \$50,000 deductible		
Generating Stations and Off-site Backup Generators - \$250,000 deductible		
Generating Station - \$450,000 deductible		
Transit - \$50,000 deductible, \$100,000 for turbines and generators		
EDP Equipment - \$50,000 deductible		
Rosiere Wind Turbines - \$150,000 deductible		
Other occurrences - \$50,000 deductible		
Total	\$607,732	
Acct. 925--INJURIES AND DAMAGES--List hereunder major classes of expense. Also, state extent to which utility is self-insured against risks of injuries and damages to employees or to others:		
Premiums for insurance	\$1,198,930	
Dividends received from insurance companies--cr.	0	
Amounts credited to Acct. 228, Injuries and Damages Reserves	0	
Expenses of investigating and adjusting claims	0	
Cost of safety and accident-prevention activities	0	
Other expenses (list major classes):	0	
The Company is self-insured against risks of injuries and damages to a limit of \$300,000 for employees and \$500,000 for other than employees.		
Total	\$1,198,930	

DETAIL OF CERTAIN GENERAL EXPENSE ACCOUNTS

Description of item (a)	Amount (b)
Acct. 923—OUTSIDE SERVICES EMPLOYED—State total cost, nature of service, and name of each person who was paid for services includible in this account, \$10,000 or more in case of Class B utilities and \$25,000 or more in case of Class A utilities.	
Norlight Telecommunications - Software Services	\$27,134
Howick Associates - Consulting Services	28,510
Washington Group - Consulting Services	27,893
Morgan Mcguire - Legal Services	30,895
First Environment - Consulting Services	91,521
Greenbrier & Russel Inc. - Consulting Services	80,991
Kee Architecture - Engineering Services	41,663
PeopleSoft - Software Services	140,589
Integrated Information Systems - Consulting Services	262,325
IBM Corporation - Software Services	33,007
Jefferson Wells International - Consulting Services	80,638
Bedrock Systems - Software Services	94,140
Michael Allen, Attorney at Law - Legal Services	130,094
Baker Botts, LLP - Legal Services	78,475
Mostardi Platt Environmental - Environmental Services	25,000
1000 Friends of Wisconsin Inc. - Environmental Services	30,000
Greater Madison Chamber of Commerce - Program Sponsorship, incorrect account	55,000
Good for Business - Consulting Services	48,125
Recruit Max Software - Software Services	30,000
Energy Professionals - Energy Services	89,775
Potter Lawson, Inc. - Architectural Services	87,172
Other Items	535,158
Total	\$7,812,387

DETAIL OF CERTAIN GENERAL EXPENSE ACCOUNTS (Cont.)

Description of item (a)	Amount (b)	
Acct. 926--EMPLOYEE PENSIONS AND BENEFITS--Report total amount for utility hereunder and show credit for amounts transferred to construction or other accounts, leaving the net balance in Acct. 926		
Pension accruals or payments to pension fund	\$7,804,431	
Pension payments under unfunded basis	1,263,245	
Employees benefits (life, health, accident & hospital insurance, etc.)	4,765,918	
Expense of educational and recreational activities for employees	95,982	
Other expenses (list major items):		
Safety meetings	141,484	
Service awards	331,168	
Medical exams	52,249	
Employee publications	33,857	
Miscellaneous	11,458	
Total	\$14,499,792	
Acct. 930.2--MISCELLANEOUS GENERAL EXPENSES		
Industry association dues	\$250,367	
Nuclear power research expenses	0	
Other experimental and general research expenses	81,706	
Expenses of corporate organization and of servicing outstanding securities of utility	951,835	
Directors fees and expenses	236,154	
Other expenses (list major items):		
Wisconsin Utility Public Benefits Program	334,950	
Administration of the employee benefits program	375,729	
Meetings and training	159,730	
Miscellaneous payroll charges	62,060	
Miscellaneous dues	34,445	
Web Site Expenses	31,479	
Miscellaneous	76,117	
Total	\$2,594,572	
Acct. 922--ADMINISTRATIVE EXPENSES TRANSFERRED--Cr.--Explain basis of computation of credit in this account.	None	
Total		

COMMON UTILITY PLANT AND ACCUMULATED DEPRECIATION

Utility Plant in Service					
Description (Use both title and account number) (a)	Additions during year (b)	Retirements during year (c)	Adjustments dr. or (cr.) (d)	Balance Total (e)	end of year Located in Wis (f)
Intangible plt-common Organization (303)	6,147,275	0	0	6,147,275	
Total intangible	6,147,275	0	0	6,147,275	
General plant					
Land & land rights (389)	\$30,631	\$0	\$0	\$2,410,395	All Located in Wisconsin
Structures & improv (390)	576,953	28,624	0	23,213,860	
Office furniture & fixtures (391)	213,662	144,612	0	8,504,573	
Transportation equipment (392)	758,229	619,276	0	8,600,901	
Stores equipment (393)	0	0	0	553,250	
Tools, shop & garage (394)	3,249	87,842	0	877,789	
Laboratory (395)	0	0	0	0	
Power operated (396)	73,892	35,618	0	988,900	
Communication (397)	687,834	0	0	1,445,911	
Miscellaneous (398)	0	0	0	0	
Other (399)	0	0	0	0	
Retirement Work in Progress	0	0	0	0	
Total general plant	\$2,344,450	\$915,972	\$0	\$46,595,579	
TOTAL	\$8,491,725	\$915,972	\$0	\$52,742,854	

ALLOCATION TO UTILITY DEPARTMENTS

Particulars (a)	Plant end of year (b)	Accumulated deprec. end of year (c)	Depreciation accruals (d)
Electric	\$32,639,500	\$15,136,788	\$847,162
Gas	20,103,354	9,681,687	557,457
Water	0	0	0
Steam Heating	0	0	0
Clearing Account	0	0	870,608
Total	\$52,742,854	\$24,818,475	\$2,275,228

COMMON UTILITY PLANT AND ACCUMULATED DEPRECIATION (cont.)

Accumulated provision for depreciation							
Straight line accruals		Additional accruals (i)	Book cost of plant retired (j)	Cost of removal (k)	Salvage (l)	Other additions or (deductions) (m)	Balance end of year (n)
Rate (g)	Amount (h)						
(d)	164,765	0	0	0	0	0	164,765
	164,765	0	0	0	0	0	164,765
-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2.22	506,627	0	28,624	0	0	0	8,043,354
(c)	585,127	0	144,612	0	125	0	8,260,484
(a)	762,139	0	614,355	0	0	0	5,737,866
6.67	36,902	0	0	0	0	0	403,435
8.33	51,093	0	87,842	34,111	0	0	874,257
-	0	0	0	0	0	0	0
(b)	108,469	0	35,618	0	0	0	733,197
7.69	60,106	0	0	0	0	0	610,186
-	0	0	0	0	0	0	0
-	0	0	0	0	0	0	0
-	0	0	0	0	0	(1) 284	(9,069)
-	\$2,110,463	\$0	\$911,051	\$34,111	\$125	\$284	\$24,653,710
-	\$2,275,228	\$0	\$911,051	\$34,111	\$125	\$284	\$24,818,475

Explanation of method for allocating comm-

- Common Plant - Based on use by gas and electric departments.
- Accumulated Depreciation and Depreciation Expense - Based on allocation of common plant.

Notes:

- (a) No depreciation rate is certified for transportation equipment, which is depreciated on unit basis.
- (b) Depreciation for power-operated equipment is calculated on a unit basis per PSCW Docket No. 3270-DU-1.
- (c) 6.00 Office Furniture and Fixtures
- 19.00 Data Handling Equipment
- 20.00 Computers

Explanation of items in Column (m):

- (1) Change in retirement work in progress

ELECTRIC EXPENSES

Report all amounts under column d, "total operations", on the basis and in conformity with the uniform system of accounts and accounting directives prescribed by this commission. Allocate "total operations" amounts jurisdictionally between Wisconsin (PSCW) jurisdiction and all other jurisdiction.

Particulars (a)	Wisconsin jurisdictional operations (b)	Other jurisdictional operations (c)	Total operations (d)
OPERATING EXPENSES			
Power production expenses (500-558)	\$115,689,035	None	All in Wisconsin
Transmission expenses (560-573)	16,190,298		
Distribution expenses (580-598)	10,846,094		
Customer accounts expenses (901-905)	5,285,206		
Customer service expenses (907-910)	3,289,412		
Sales promotion expenses (911-913)	387,740		
Administration and general expenses (920-935)	27,741,388		
Total operation and maintenance expenses (401-402)	179,429,173		
Depreciation expense (403)	17,422,560		
Amortization of limited-term utility plant (404)	103,250		
Amortization of other utility plant (405)	0		
Amortization of utility plant acquisition adjustment (406)	0		
Amortization of property losses (407)	0		
Taxes other than income taxes (408.1)	9,931,247		
Income taxes (409.1)	7,732,322		
Provision for Deferred Income Taxes (410.1 and 411.1)	9,416,363		
Investment tax credits, restored (411.4)	(337,596)		
Total operating expenses	\$223,697,319		

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SALES TO ULTIMATE CUSTOMERS

1. Report data by rate schedule for all sales of retail electricity (including unbilled revenues and KWH) for each account. Show totals for each account and for combined sales to ultimate customers.
2. Report number of customers on the basis of number of meters plus the number of flat rate accounts. Where meter readings are added for billing purposes, count one customer for each group of meters so added. Compute the average on the basis of the 12 month ended figures.
3. If the customer count in any service classification includes customers counted more than once because of special services, such as water heating, etc., indicate in a footnote the number of such duplicate customers included in the classification.

Rate schedule (a)	Wisconsin Geographical Operations		
	Revenues (b)	KWH "000s" omitted (c)	Avg. no. customers (d)
RESIDENTIAL			
Lighting (Rg-1)	\$86,623,597	778,109	115,198
Time-of-Use (Rg-2)	652,933	6,928	347
Lifeline Lighting (Rg-3)	19,004	211	42
Overhead Lighting (unmetered) (OL-1)	14,408	62	89
Off-Peak Water Heating (Rw-1)	16,061	228	99
	87,326,003	785,538	115,775 (a)
COMMERCIAL AND INDUSTRIAL			
Lighting and Power (Cg-1)	44,063,143	552,553	3,105
Lighting and Power Time-of-Use (Cg-2)	54,178,300	849,160	374
Small C&I Optional Time-of-Use (Cg-3)	506,529	5,568	197
Large C&I Optional Time-of-Use (Cg-4)	2,764,155	39,617	132
Lighting and Power (Cg-5)	20,618,921	202,981	13,061
Lighting and Power - High Load Factor (Cg-6)	8,196,648	155,577	13
Amplifiers (Gf-1)	287,215	3,596	2
Special (Sp-4)	4,282,572	83,362	1
Telephone Booths (Gf-1)	702	8	1
Overhead Lighting (OL-1)	367,722	1,771	932
Parallel Generation (Pg-2)	3,383	21	1
High Load Factor Direct Control Interruptible (Cp-1)	2,825,348	101,783	1
Interruptible Service Rider (Gf-1)	7,101	78	15
	138,101,739	1,996,075	17,835
PUBLIC STREET AND HIGHWAY LTG.			
Highway Lighting (metered) (Cg-5)	1,843	16	3
Boulevard Lighting (unmetered) (LS-1, 2, 3)	959,304	8,310	54
Athletic Field Lighting (MLS)	41,303	433	20
	1,002,450	8,759	77
OTHER PUBLIC AUTHORITIES			
Capitol Heating Plant (Sp-5)	179,221	1,147	1
University of Wisconsin (Sp-3)	17,700,498	332,721	1
Defense Sirens (Mg-2)	1,318	0	0
	17,881,037	333,868	2
INTERDEPARTMENTAL SALES	447,601	5,408	1
TOTAL WISCONSIN	\$244,758,830	3,129,648	133,690
(a) Includes 112 water-heating customers who are served on the Rg-1 rate schedule as well.			

ACCUM. PROV. FOR DEPRECIATION OF PLANT IN SERVICE (Acct. 108)

Report in column (e) additional depreciation expense authorized by Commission to be charged where tax depreciation allowances exceed book amounts.

Primary plant accounts (a)	Balance first of year (b)	S.L. Dpr. rate % used (c)	Accruals during year	
			Straight line amount (d)	Additional amount (e)
STEAM PRODUCTION				
Land and land rights (310)	\$29,467	2.50	\$1,882	\$0
Structures & improvements (311)*	21,076,739	*	761,460	0
Boiler plant equipment (312)*	56,051,301	*	3,188,297	0
Boiler plant equipment - unit train (312)	949,845	3.88	0	0
Turbogenerator units (314)*	17,423,561	*	713,430	0
Accessory elec. equipment (315)*	5,975,805	*	182,675	0
Misc. power equipment (316)*	1,597,019	*	132,000	0
Total steam production	103,103,737		4,979,744	0
NUCLEAR PRODUCTION				
Land and land rights (320)				
Structures & improvements (321) None				
Reactor plant equip. (322)				
Turbogenerator units (323)				
Accessory elec. equipment (324)				
Misc. power plant equip. (325)				
Total nuclear prod. plant				
HYDR. & PUMPED STORAGE				
Structures & improvements (331) None				
Reser., dams & waterways (332)				
Water wheels, turb. & gen. (333)				
Accessory elec. equipment (334)				
Misc. power plant equip. (335)				
Roads, railroads & bridges (336)				
Total hydraulic production				
OTHER PRODUCTION				
Structures & imprvmnts. (341)	839,039	Various	191,558	0
Fuel holders, prod. & access. (342)	792,230	Various	48,146	0
Prime movers (343)	2,764,013	Various	313,364	0
Generators (344)	6,709,373	Various	1,714,361	0
Accessory elec. equipment (345)	755,146	Various	106,021	0
Misc. power plant equipment (346)	159,759	Various	23,807	0
Asset retirement cost (347)	138,172	Various	29,535	0
Total other production	12,157,732		2,426,792	0
TRANSMISSION PLANT				
Land and land rights (350)	0	-	0	0
Structures & imprvmnts. (352)	1,346,390	2.44	82,640	0
Station equipment (353)*	13,635,937	2.79	737,499	0
Towers and fixtures (354)	0	2.10	0	0
Poles and fixtures (355)	253,655	2.63	15,754	0
Overhead cond. & devices (356)	196,568	2.75	14,561	0
Underground conduit (357)	49,519	2.50	1,827	0
Underground cond. & devices (358)	213,113	2.70	21,592	0
Roads and trails (359)	0	-	0	0
Total transmission	15,695,182		873,873	0
INTANGIBLE PLANT				
Miscellaneous intangible plant (303)	\$0	-	\$0	\$0

*See Copies 2 and 3, pages E-26 and E-27.

ACCUMULATED PROVISION FOR DEPRECIATION OF PLANT IN SERVICE

[illegible]

ACCUMULATED PROVISION FOR DEPRECIATION OF PLANT IN SERVICE

Report in column (e) additional depreciation expense authorized by Commission to be charged where tax depreciation allowances exceed book amounts.

Primary plant accounts (a)	Balance first of year (b)	S.L. Dpr. rate % used (c)	Accruals during year	
			Straight line amount (d)	Additional amount (e)
DISTRIBUTION PLANT				
Land and land rights (360)	\$0	-	\$0	\$0
Structures & improvements (361)	136,685	2.78	21,405	0
Station equipment (362)	3,664,154	2.50	419,669	0
Storage battery equip. (363)	0	-	0	0
Poles, towers & fixtures (364)	6,972,871	4.17	813,323	0
Overhd cond. and devices (365)	7,522,354	3.33	758,538	0
Underground conduit (366)	9,943,052	2.00	664,780	0
Underground cond. and devices (367)	16,412,629	2.81	1,828,742	0
Line transformers (368)	16,426,332	3.24	1,301,291	0
Services (369)*	9,359,278	*	812,049	0
Meters (370)	6,730,576	5.00	1,256,199	0
Install. on cust. prem. (371)	2,173,450	6.92	285,677	0
Leased prop. on cust. prem. (372)	0	-	0	0
St. lighting & signal sys. (373)	1,161,543	5.10	111,867	0
Asset retirement cost (374)	36,564		0	0
Total distribution	80,539,488		8,273,540	0
GENERAL PLANT				
Structures and imprvmnts. (390)	0	-	0	0
Office furniture & equip. (391)	0	-	0	0
Transportation equipment (392)	0	-	0	0
Stores equipment (393)	0	-	0	0
Tools, shop & garage equip. (394)	695,859	5.00	79,646	0
Laboratory equipment (395)	475,490	5.56	0	0
Power-operated equipment (396)	0	-	0	0
Communication equipment (397)	23,889,259	10.00	74,588	0
Miscellaneous equipment (398)	0	-	0	0
Pre 1990 contributions in aid of const.	0	-	0	0
Retirement work in progress	(2,122,792)	-	0	0
Total general	22,937,816		154,234	0
Total	\$234,433,955		\$16,708,183	\$0
DEPRECIATION SUMMARY				
Total depreciation expense (columns (d) and (e))			\$16,708,183	
Plus allocation of depreciation on common plant			847,162	
Less - asset retirement cost			(29,535)	
Total electric depreciation expense			\$17,525,810	
Total reserve balance (column k)			245,594,629	
Plus allocation of reserve on common plant			15,136,788	
Total depreciation reserve for electric utility			\$260,731,417	

*See Copies 2 and 3, pages E-26 and E-27.

ACCUMULATED PROVISION FOR DEPRECIATION OF PLANT IN SERVICE

Book cost of plant retired (f)	Cost of removal (g)	Salvage (h)	Other additions or deductions		Balance end of year (k)
			Debit (i)	Credit (j)	
\$0	\$0	\$0	\$0	\$0	\$0
774	0	0	0	0	157,316
2,765	324	0	0	0	4,080,734
0	0	0	0	0	0
279,694	379,395	77,534	0	0	7,204,639
472,234	381,529	122,275	0	0	7,549,404
62,410	38,589	24,641	0	0	10,531,474
757,017	55,640	74,782	0	0	17,503,496
1,142,817	478,818	20,066	0	0	16,126,054
73,171	36,545	10,467	0	0	10,072,078
0	0	0	0	0	7,986,775
26,788	3,974	4,283	0	0	2,432,648
0	0	0	0	0	0
22,353	6,837	4,011	0	0	1,248,231
0	0	0	0	0	36,564
2,840,023	1,381,651	338,059	0	0	84,929,413
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	775,505
0	0	0	0	0	475,490
0	0	0	0	0	0
197,128	10,945	0	0	0	23,755,774
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	1,324,237	(798,555)
197,128	10,945	0	0	1,324,237	24,208,214
\$4,723,818	\$2,501,988	\$354,060	\$0	\$1,324,237	\$245,594,629
Explanation of items in Columns (i) and (j)			(CR)		
(1) Change in retirement work in progress			\$1,324,237		
			\$1,324,237		

ACCUM. PROV. FOR DEPRECIATION OF PLANT IN SERVICE (Acct. 108)

Report in column (e) additional depreciation expense authorized by Commission to be charged where tax depreciation allowances exceed book amounts.

Primary plant accounts (a)	Balance first of year (b)	S.L. Dpr. rate % used (c)	Accruals during year	
			Straight line amount (d)	Additional amount (e)
Structures & Improvements - Blount Street (311.101)	\$10,509,626	2.20	\$378,997	\$0
Structures & Improvements - Columbia (311.102)	10,567,113	2.82	382,463	0
Totals	\$21,076,739		\$761,460	\$0
Boiler Plant Equipment - Blount Street (312.101)	\$19,515,944	2.63	\$970,472	\$0
Boiler Plant Equipment - Columbia (312.102)	35,071,064	2.95	1,581,720	0
Boiler Plant Equipment - NOx Columbia (312.106)	1,464,293	10.00	636,105	0
Totals	\$56,051,301		\$3,188,297	\$0
Turbogenerator Units - Blount Street (314.101)	\$10,359,796	2.39	\$410,454	\$0
Turbogenerator Units - Columbia (314.102)	7,063,765	2.30	302,976	0
Totals	\$17,423,561		\$713,430	\$0
Accessory Electrical Equipment - Blount Street (315.101)	\$3,558,633	2.33	\$94,794	\$0
Accessory Electrical Equipment - Columbia (315.102)	2,417,172	2.44	87,881	0
Totals	\$5,975,805		\$182,675	\$0
Miscellaneous Power Plant Equipment - Blount Street (316.101)	\$703,252	4.00	\$71,028	\$0
Miscellaneous Power Plant Equipment - Columbia (316.102)	700,610	3.85	53,874	0
Environmental Test Equipment - Columbia (316.105)	190,236	6.67	0	0
Miscellaneous Power Plant Equip. - NOx Columbia (316.106)	2,921	10.00	7,097	0
Totals	\$1,597,019		\$131,999	\$0

ACCUMULATED PROVISION FOR DEPRECIATION OF PLANT IN SERVICE

Book cost of plant retired (f)	Cost of removal (g)	Salvage (h)	Other additions or deductions		Balance end of year (k)
			Debit (i)	Credit (j)	
\$232,162	\$1,152	\$1,000	\$0	\$0	\$10,656,309
33,105	1,337	0	0	0	10,915,134
\$265,267	\$2,489	\$1,000	\$0	\$0	\$21,571,443
\$304,497	\$868,310	\$405	\$0	\$0	\$19,314,014
145,961	987	0	0	0	36,505,836
0	0	0	0	0	2,100,398
\$450,458	\$869,297	\$405	\$0	\$0	\$57,920,248
\$37,699	\$71,769	\$0	\$0	\$0	\$10,660,782
553,170	122,420	12,669	0	0	6,703,820
\$590,869	\$194,189	\$12,669	\$0	\$0	\$17,364,602
\$55,245	\$4,084	\$1,683	\$0	\$0	\$3,595,781
0	0	0	0	0	2,505,053
\$55,245	\$4,084	\$1,683	\$0	\$0	\$6,100,834
\$28,808	\$0	\$0	\$0	\$0	\$745,472
15,810	348	0	0	0	738,326
0	0	0	0	0	190,236
0	0	0	0	0	10,018
\$44,618	\$348	\$0	\$0	\$0	\$1,684,052

ACCUM. PROV. FOR DEPRECIATION OF PLANT IN SERVICE (Acct. 108)

Report in column (e) additional depreciation expense authorized by Commission to be charged where tax depreciation allowances exceed book amounts.

Primary plant accounts (a)	Balance first of year (b)	S.L. Dpr. rate % used (c)	Accruals during year	
			Straight line amount (d)	Additional amount (e)
Station Equipment - Other (353.101)	\$11,369,771		\$661,837	\$0
Station Equipment - Columbia (353.103)	2,266,166		75,662	0
Totals	\$13,635,937		\$737,499	\$0
Services - Overhead (369.101)	\$969,790		\$120,921	\$0
Services - Underground (369.102)	8,389,488		691,128	0
Totals	\$9,359,278		\$812,049	\$0

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Public Service Commission
of the District of Columbia

ACCUMULATED PROVISION FOR DEPRECIATION OF PLANT IN SERVICE

Book cost of plant retired (f)	Cost of removal (g)	Salvage (h)	Other additions or deductions		Balance end of year (k)
			Debit (i)	Credit (j)	
\$184,631	\$9,937	\$244	\$0	\$0	\$11,837,284
0	0	0	0	0	2,341,828
\$184,631	\$9,937	\$244	\$0	\$0	\$14,179,112
\$33,956	\$23,379	\$3,411	\$0	\$0	\$1,036,787
39,214	13,166	7,056	0	0	9,035,292
\$73,170	\$36,545	\$10,467	\$0	\$0	\$10,072,079

ACCUMULATED PROVISION FOR DEPRECIATION OF PLANT IN SERVICE (Acct. 108)

Report in column (e) additional depreciation expense authorized by Commission to be charged where tax depreciation allowances exceed book amounts.

Primary plant accounts (a)	Balance first of year (b)	S.L. Dpr. rate % used (c)	Accruals during year	
			Straight line amount (d)	Additional amount (e)
Structures and improv-solely owned (311)	10,509,626		378,997	
Structures and improv-jtly owned (311)	10,567,113		382,463	
Fly ash disposal site (311-02)				
	21,076,739		761,460	0
Boiler plant equip-solely owned (312)	19,515,944		970,472	
Boiler plant equip-jtly owned (312)	36,535,357		2,217,825	
Unit trains-jointly owned (312-02)	949,845		0	
Computer (312-03)	0		0	
Unit trains-solely owned (312-04)	0		0	
	57,001,146		3,188,297	0
Turbogenerator units-solely owned (314)	10,359,796		410,454	
Turbogenerator units-jtly owned (314)	7,063,765		302,976	
	17,423,561		713,430	0
Accessory elec eqpt-solely owned (315)	3,558,633		94,794	
Accessory elec eqpt-jtly owned (315)	2,417,172		87,881	
	5,975,805		182,675	0
Misc power plant eqpt-solely owned (316)	703,252		71,028	
Misc power plant eqpt-jtly owned (316)	703,531		60,972	
Environmental test eqpt-jtly owned (316)	190,236			
	1,597,019		132,000	0
Reactor plant equip (322)				
Reactor plant-computer (322-01)				
Reactor plant-simulator (322-02)				
Reactor plant-sim. hardware (322-03)				
	0		0	0
Overhead conductors & devices (356-01)	196,568		14,561	
Trsfr from clearing land & ROW (356-02)				
	196,568		14,561	0
Services-overhead (369-01)	969,788		120,922	
Services-underground (369-02)	8,389,490		691,127	
	9,359,278		812,049	0
Office furniture & fixtures (391-01)				
Computers (391-02)				
Data handling equip (391-03)				
	0		0	0

May not cross-check due to rounding.

* Shown above and on Page E-27A is detail for subaccounts as specific reserve accounts as requested by the PSCW.

ACCUMULATED PROVISION FOR DEPRECIATION OF PLANT IN SERVICE

Book cost of plant retired (f)	Cost of removal (g)	Salvage (h)	Other additions or deductions		Balance end of year (k)
			Debit (i)	Credit (j)	
232,162	1,152	1,000			10,656,309
33,105	1,337	0			10,915,134
265,267	2,489	1,000			21,571,443
304,497	868,310	405			19,314,014
145,961	987				38,606,234
					949,845
					0
					0
450,458	869,297	405	0	0	58,870,093
37,699	71,769				10,660,782
553,170	122,420	12,669			6,703,820
590,869	194,189	12,669	0	0	17,364,602
55,245	4,084	1,683			3,595,781
0	0	0			2,505,053
55,245	4,084	1,683	0	0	6,100,834
28,808					745,472
15,810	348				748,345
					190,236
44,618	348	0	0	0	1,684,053
0	0	0	0	0	0
					211,129
					0
0	0	0	0	0	211,129
33,956	23,379	3,412			1,036,787
39,215	13,166	7,055			9,035,291
73,171	36,545	10,467	0	0	10,072,078
0	0	0	0	0	0

May not cross-check due to rounding.

MONTHLY PEAKS AND OUTPUT

1. Report hereunder the information called for pertaining to simultaneous peaks established monthly (in thousands of kilowatts) and monthly output (in thousands of kilowatt-hours).
2. Monthly peak col. (b) should be respondent's maximum kw. load as measured by the sum of its coincidental net generation and purchases plus or minus net interchange.
3. State type of monthly peak reading (instantaneous (0), 15, 30, or 60 minutes integrated).
4. Monthly output should be the sum of respondent's net generation for load and purchases plus or minus net interchange and plus or minus net transmission or wheeling. Total for the year should agree with line 23 on page E-28.
5. If the utility has two or more power systems not physically connected, the information called for below should be furnished for each system.

(a)	Monthly peak					Mo. output KWH(000's) (g)
	KW (000's) (b)	(Mon. etc.) (c)	(Mo/Da/Yr) (d)	Time (Hour:Min) (e)	Type of (0,15,30,60) (f)	
January	484	Wednesday	01/28/05	6-7 p.m.	All are 60-minute integrated	278,310
February	468	Thursday	02/05/05	6-7 p.m.		260,240
March	447	Thursday	03/11/05	6-7 p.m.		260,615
April	445	Thursday	04/29/05	1-2 p.m.		243,236
May	527	Thursday	05/20/05	3-4 p.m.		293,235
June	634	Tuesday	06/08/05	3-4 p.m.		283,951
July	633	Tuesday	07/20/05	2-3 p.m.		278,734
August	624	Tuesday	08/03/05	3-4 p.m.		287,479
September	582	Thursday	09/02/05	3-4 p.m.		284,068
October	465	Friday	10/29/05	1-2 p.m.		264,217
November	469	Tuesday	11/30/05	5-6 p.m.		254,618
December	500	Monday	12/13/05	5-6 p.m.		283,722
Total						3,272,425
System Name	Madison Gas and Electric Company					

Form:

GENERATION SUMMARY WORKSHEET

Utility: Madison Gas & Electric

FERC Form 1 Page 402

Plant Name	Unit ID	Generator Nameplate Capacity (MW)	Type of Prime Mover	Summer Capability (MW)	Winter Capability (MW)	Line 12 - Net Generation (MWH)
COAL						
Blount Street	1	12.50	ST	6.80	7.20	847.39
Blount Street	3	40.60	ST	39.20	41.70	95,031.62
Blount Street	4	25.00	ST	22.40	23.80	3,324.69
Blount Street	5	28.80	ST	28.50	30.30	22,840.25
Blount Street	6	58.80	ST	49.00	53.00	166,146.13
Blount Street	7	58.80	ST	48.20	52.70	252,268.72
GAS						
Nine Springs	1	19.00	GT	14.90	17.00	165.50
Fitchburg	1	29.60	GT	22.10	23.60	3,486.80
Fitchburg	2	29.60	GT	21.70	23.10	4,120.40
Sycamore	1	21.20	GT	14.70	15.80	719.40
Sycamore	2	23.00	GT	20.80	24.30	3,590.00
West Marinette	M34	105.90	GT	79.50	93.20	20,996.00
DISTRIBUTED GENERATORS						
	1	0.90	IC	0.90	0.61	8.89
	2	0.90	IC	0.90	0.70	11.56
	3	0.90	IC	0.90	0.74	12.99
	4	0.90	IC	0.90	0.66	11.00
	5	0.90	IC	0.90	0.67	10.27
	6	1.25	IC	1.25	1.25	13.50
	7	1.25	IC	1.25	1.25	15.54
	8	1.25	IC	1.25	1.22	20.70
	9	1.25	IC	1.25	1.25	21.89
	10	0.55	IC	0.45	0.34	4.84
	11	0.55	IC	0.44	0.33	5.25
	12	0.55	IC	0.50	0.35	4.14
	13	0.55	IC	0.50	0.50	5.91
	14	2.60	IC	2.20	2.20	21.49
	15	0.55	IC	0.45	0.36	5.47
	16	0.55	IC	0.45	0.35	4.88
	17	0.55	IC	0.45	0.45	6.30
	18	0.55	IC	0.45	0.37	4.90
	19	0.55	IC	0.40	0.34	4.55
	20	0.55	IC	0.45	0.45	5.54
	21	0.55	IC	0.42	0.34	4.47
	22	0.55	IC	0.45	0.45	6.01
	23	0.55	IC	0.55	0.55	5.75
	24	0.55	IC	0.45	0.45	7.21
	25	0.55	IC	0.55	0.50	5.81
	26	0.55	IC	0.55	0.55	7.96
	27	0.55	IC	0.55	0.55	7.15
	28	0.55	IC	0.55	0.55	5.37
	29	0.55	IC	0.55	0.55	5.27
	30	0.55	IC	0.55	0.55	4.21
	31	0.55	IC	0.55	0.55	7.64

GENERATION SUMMARY WORKSHEET

Utility: Madison Gas & Electric

FERC Form 1 Page 402

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Page E-37.1 (continued from E-36.1)
Form:

Utility: Madison Gas & Electric

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GENERATION SUMMARY WORKSHEET

Form:

Utility: Madison Gas & Electric

FERC Form 1 Page 402

Plant Name	Unit ID	Generator Nameplate Capacity (MW)	Type of Prime Mover	Summer Capability (MW)	Winter Capability (MW)	Line 12 - Net Generation (MWH)
HYDRO	NONE					
WIND						
Kewaunee County	1	0.66	WIND	0.13	0.18	1,282.53
Kewaunee County	2	0.66	WIND	0.13	0.18	1,282.53
Kewaunee County	3	0.66	WIND	0.13	0.18	1,282.53
Kewaunee County	4	0.66	WIND	0.13	0.18	1,282.53
Kewaunee County	5	0.66	WIND	0.13	0.18	1,282.53
Kewaunee County	6	0.66	WIND	0.13	0.18	1,282.53
Kewaunee County	7	0.66	WIND	0.13	0.18	1,282.53
Kewaunee County	8	0.66	WIND	0.13	0.18	1,282.53
Kewaunee County	9	0.66	WIND	0.13	0.18	1,282.53
Kewaunee County	10	0.66	WIND	0.13	0.18	1,282.53
Kewaunee County	11	0.66	WIND	0.13	0.18	1,282.53
Kewaunee County	12	0.66	WIND	0.13	0.18	1,282.53
Kewaunee County	13	0.66	WIND	0.13	0.18	1,282.53
Kewaunee County	14	0.66	WIND	0.13	0.18	1,282.53
Kewaunee County	15	0.66	WIND	0.13	0.18	1,282.53
Kewaunee County	16	0.66	WIND	0.13	0.18	1,282.53
Kewaunee County	17	0.66	WIND	0.13	0.18	1,282.52
OTHER RENEWABLES						
Photovoltaics	1	0.004	SOLAR	0.004	0.004	0.00
Photovoltaics	2	0.005	SOLAR	0.005	0.005	0.00
				422.4	459.1	595,979.9
		518.1	MW TOTAL located in Wisconsin and operated by utility			

Generating Units Operated by others or located outside of Wisconsin

Columbia I		112.6	ST	112.7	112.7	813,098.00
Columbia II		112.4	ST	112.7	112.7	779,980.00
				225.4	225.4	1,593,078.00
		225.0	MW TOTAL for all generating units located outside of Wisconsin or operated by others (less joint plant amounts)			
						2,189,057.90

GENERATION SUMMARY WORKSHEET

Form:

Utility: Madison Gas & Electric

[illegible]

COAL CONTRACT INFORMATION-SPECIFICATION AND COSTS

Particulars (a)	(b)	(c)	
Vendor name	Vendor A	Vendor B	
Term of agreement (mo/da/yr - mo/da/yr)	01-01-04 to 12-31-04	01-01-02 to 12-31-05	
Plant name	Blount Generating Station	Columbia	
Total cost of coal delivered	\$10,172,784	\$5,848,698	
Total units delivered - 2,000 lb. tons	270,982	272,896	
Avg. Btu's per lb. of coal delivered	10,879	8,556	
Avg. percent moisture of coal delivered	16.32%	29.45%	
Avg. percent sulfur of coal delivered	1.38%	0.35%	
Avg. percent ash of coal delivered	8.80%	4.85%	
	(h)	(i)	
Vendor name	Vendor G	Vendor H	
Term of agreement (mo/da/yr - mo/da/yr)	01-01-02 to 12-31-02	01-01-04 to 12-31-04	
Plant name	Columbia	Columbia	
Total cost of coal delivered	\$2,386,221	\$534,508	
Total units delivered - 2,000 lb. tons	112,995	28,336	
Avg. Btu's per lb. of coal delivered	8,458	8,412	
Avg. percent moisture of coal delivered	29.65%	30.34%	
Avg. percent sulfur of coal delivered	0.32%	0.35%	
Avg. percent ash of coal delivered	5.44%	4.66%	
	(n)	(o)	
Vendor name			
Term of agreement (mo/da/yr - mo/da/yr)			
Plant name			
Total cost of coal delivered			
Total units delivered - 2,000 lb. tons			
Avg. Btu's per lb. of coal delivered			
Avg. percent moisture of coal delivered			
Avg. percent sulfur of coal delivered			
Avg. percent ash of coal delivered			
	(t)	(u)	
Vendor name			
Term of agreement (mo/da/yr - mo/da/yr)			
Plant name			
Total cost of coal delivered			
Total units delivered - 2,000 lb. tons			
Avg. Btu's per lb. of coal delivered			
Avg. percent moisture of coal delivered			
Avg. percent sulfur of coal delivered			
Avg. percent ash of coal delivered			
	(z)	(aa)	
Vendor name			
Term of agreement (mo/da/yr - mo/da/yr)			
Plant name			
Total units delivered - 2,000 lb. tons			
Avg. Btu's per lb. of coal delivered			
Avg. percent moisture of coal delivered			
Avg. percent sulfur of coal delivered			
Avg. percent ash of coal delivered			

COAL CONTRACT INFORMATION-SPECIFICATION AND COSTS (continued)

[illegible]

ELECTRIC DISTRIBUTION LINES

1. If a utility has available the number of poles, but not miles of pole line, it will be considered satisfactory to determine miles of pole line by multiplying number of poles by average length of span, indicating in a footnote the average span used.
2. Urban distribution lines and rural distribution lines are to be reported separately for Wisconsin and for outside the state.
3. Urban distribution lines are defined as lines inside corporate limits of incorporated places, lines in urban areas adjacent to such corporate limits, and lines in unincorporated communities with urban characteristics. All pole lines used for urban distribution, including joint distribution and transmission, other joint distribution lines, and joint use of foreign lines are to be reported

(a)	Miles of:		
	Pole Line (b)	U.G. conduit (subway) (d)	Buried Cable**
Lines in Wisconsin:*			
Urban distribution lines—primary voltage)	573.2	106.4	653.3
Urban distribution lines—secondary voltage)			
Rural distribution lines—primary voltage)	383.5	0.2	115.1
Rural distribution lines—secondary voltage)			
Total in Wisconsin	956.7	106.6	768.4
Lines outside the state: NONE			
Urban distribution lines—primary voltage			
Urban distribution lines—secondary voltage			
Rural distribution lines—primary voltage			
Rural distribution lines—secondary voltage			
Total outside the state	0.0	0.0	0.0
Total lines of utility	956.7	106.6	768.4

*A breakdown between primary and secondary is not available.

**A change to line miles from cable miles was made beginning with the year 1994.

NAMES OF CITIES, VILLAGES, AND TOWNS

NUMBER OF CUSTOMERS IN EACH SUPPLIED DIRECTLY WITH ELECTRICITY BY REPORTING UTILITY AT END OF YEAR
Report in alphabetical order first, cities, and second, incorporated villages. Next, report
towns in alphabetical order under each county, also listed in alphabetical order. Show
total for each group and for total company.

(CLASS A & B)

Location	Customers end of year	Location	Customers end of year
(a)	(b)	(a)	(b)
CITIES			
Fitchburg	10,777		
Madison	94,817		
Middleton	8,808		
Monona	4,635		
	119,037		
VILLAGES			
Black Earth	7		
Cross Plains	1,609		
Maple Bluff	590		
McFarland	295		
Shorewood	892		
	3,393		
TOWNS			
Dane County:			
Berry	344		
Black Earth	17		
Blooming Grove	856		
Burke	536		
Cottage Grove	169		
Cross Plains	417		
Dane	141		
Dunn	484		
Madison	3,854		
Middleton	1,198		
Roxbury	103		
Springdale	65		
Springfield	1,136		
Vermont	16		
Verona	39		
Westport	1,946		
	11,321		
Total	133,751		

NAMES OF CITIES, VILLAGES, AND TOWNS

NUMBER OF CUSTOMERS IN EACH SUPPLIED DIRECTLY WITH GAS BY REPORTING UTILITY AT END OF YEAR

Report in alphabetical order by county: first, each city; second, each incorporated village; and third, each town in which the reporting utility has obtained Public Service Commission authorization to provide natural gas service and in which the reporting utility has in place natural gas facilities and has provided or is currently providing natural gas service.

Indicate the number of customers served in each municipality at the end of the year and tabulate the number of customers served in each county. Tabulate the total number of customers served by the company.

(Class A and B)

Location (a)	Customers end of year (b)	Location (a)	Customers end of year (b)
COLUMBIA COUNTY - Cities		Dane County Towns (continued)	
Lodi	1,121	Dunn	325
Towns		Madison	1,553
Arlington	2	Mazomanie	186
Dekorra	443	Middleton	2,024
Leeds	59	Montrose	55
Lodi	1,284	Roxbury	357
Westpoint	610	Springdale	26
Total Towns	2,398	Springfield	513
Total Columbia County Customers	3,519	Sun Prairie	21
CRAWFORD COUNTY - Cities		Verona	375
Prairie du Chien	2,529	Vienna	285
Villages		Westport	1,687
Bell Center	26	Windsor	2,054
Eastman	135	Total Towns	11,727
Gays Mills	223	Total Dane County Customers	120,620
Mount Sterling	68	IOWA COUNTY - Villages	
Soldiers Grove	216	Arena	301
Wauzeka	227	Barneveld	371
Total Villages	895	Ridgeway	236
Towns		Total Villages	908
Bridgeport	357	Towns	
Clayton	20	Arena	14
Eastman	17	Brigham	20
Prairie du Chien	410	Ridgeway	21
Seneca	98	Total Towns	55
Utica	18	Total Iowa County Customers	963
Wauzeka	17	JUNEAU COUNTY - Cities	
Total Towns	937	Elroy	601
Total Crawford County Customers	4,361	Towns	
DANE COUNTY - Cities		Plymouth	36
Fitchburg	6,624	Wonevot	4
Madison	75,200	Total Towns	40
Middleton	6,612	Total Juneau County Customers	641
Monona	3,194	MONROE COUNTY - Villages	
Verona	3,528	Kendall	190
Total Cities	95,158	Norwalk	161
Villages		Wilton	186
Black Earth	539	Total Villages	537
Blue Mounds	306	Towns	
Cross Plains	1,282	Glendale	33
Dane	338	Ridgeville	6
DeForest	3,028	Wellington	1
Maple Bluff	562	Wilton	16
Mazomanie	671	Total Towns	56
McFarland	342	Total Monroe County Customers	593
Mount Horeb	2,197	VERNON COUNTY - Cities	
Shorewood Hills	754	Viroqua	1,812
Waunakee	3,716	Villages	
Total Villages	13,735	Readstown	157
Towns		Towns	
Berry	16	Kickapoo	11
Black Earth	19	Liberty	2
Blooming Grove	758	Viroqua	98
Blue Mounds	48	Total Towns	111
Burke	1,100	Total Vernon County Customers	2,080
Cottage Grove	8		
Cross Plains	252		
Dane	65		
		Total Gas Customers	132,777

GAS OPERATING EXPENSES

Particulars (a)	Wisconsin Jurisdictional Operations (b)	Other Jurisdictional Operations (c)	Total Operations (d)
OPERATING EXPENSES			
Manufactured gas production expenses (700-742)	\$0	None	All in Wisconsin
Purchased gas expenses (804-813)	122,311,857		
Total production expenses	122,311,857		
Storage expenses (840-848.3)	0		
Transmission expenses (850-867)	0		
Distribution expenses (870-894)	6,772,413		
Customer accounts expenses (901-905)	4,488,235		
Customer service expenses (907-910)	3,905,026		
Sales promotion expenses (911-918)	325,835		
Administrative and general expenses (920-935)	15,450,685		
Total operation and maintenance	153,254,051		
Depreciation expense (403)	7,329,582		
Amortization limited-term utility investment (404)	61,515		
Amortization of other utility plant (405)	0		
Amortization utility plant acquisition adjustment (406)	0		
Amortization of property losses (407.1)	0		
Amortization of conversion expenses (407.2)	0		
Taxes other than income taxes (408.1)	2,781,446		
Income taxes (409.1)	4,770,173		
Provision for deferred income taxes (410.1 and 411.1)	617,293		
Investment tax credits, restored (411.4)	(164,904)		
Total operating expenses	\$168,649,156		

REVENUES FROM SALES OF GAS

Report data by rate schedule (including unbilled revenues and therms), classified between space heating and non-space heating customers and show totals for each account 480-484 incl. Report average number of customers on basis of number of meters. Where meters are added for billing purposes count one customer for each group of meters so added. Compute averages on basis of 12 month end figures. For industrial interruptible sales, report data by priority of interruption if not provided for by separate rate schedules.

Other operating revenues:

Report succinct statement of the revenues in each account showing separate totals for each account.

Report name of lessee and description of property for major items of rent revenue. Group other rents by classes.

Report basis of charges for any interdepartmental rents.

Report details of major items in Acct. 495 and group other items.

Rate schedule (a)	Wisconsin Geographical Operations		
	Revenues (b)	Therms (c)	Customers (d)
Residential (480)			
Nonspace Heating			
RD-1/FS-1	\$862,422	470,943	3,768
RD-2/FS-1	107	8	1
VRD-1/VFS-1	2,059	1,002	10
Space Heating			
RD-1/FS-1	93,661,725	87,897,021	108,646
RD-2/FS-1	23,069	21,928	28
PRD-1/FS-1	2,222,269	2,157,118	3,145
VRD-1/VFS-1	1,439,891	1,292,772	1,575
Total Account 480	\$98,211,542	91,840,792	117,173
Commercial & Industrial (481)			
Commercial Nonspace Heating			
GSD-1/FS-1	\$1,393,859	1,519,112	703
VGSD-1/VFS-1	8,677	8,428	10
GSD-2/FS-1	100,675	126,430	4
VGSD-2/VFS-1	42,138	50,989	1
PGSD-1/FS-1	37	3	1
GSD-3/BU-1/IS-1	236,319	333,173	1
GSD-2/FS-2	14,746	17,233	1
GSD-1/FS-2	3,548	3,723	4
GSD-2/FS-1/BU-1/IS-1	290,005	397,828	3
Commercial Space Heating			
GSD-1/FS-1	37,326,591	42,165,061	11,774
PGSD-1/FS-1	546,399	566,935	370
VGSD-1/VFS-1	590,078	617,737	238
GSD-2/FS-1	16,116,599	20,142,504	477
PGSD-2/FS-1	671,028	857,647	12
PGSD-2/FS-2	140,386	167,261	5
VGSD-2/VFS-1	129,292	155,117	3
GSD-3/FS-1	1,082,154	1,386,722	7
VGSD-2/VBU-1/VIS-1	109,624	141,958	3
PGSDa/FS-1	500,153	592,607	53
PGSDa/FS-2	45,219	51,656	5
GSD-2/FS-2	1,468,314	1,779,898	39
VGSD-2/VFS-2	16,869	19,821	1
GSD-1/FS-2	1,671,548	1,835,882	458
VGSD-1/VFS-2	126,253	135,150	29
PGSD-1/FS-2	35,959	35,649	21
PGSD-3/BU-1/IS-1	267,410	384,093	1
GSD-2/BU-1/IS-1	71,558	95,268	2
GSD-2/FS-1/BU-1/IS-1	1,348,194	1,811,548	21
GSD-3/BU-1/IS-1	165,417	232,777	1
VGSD-2/VFS-1/VBU-1/VIS-1	91,091	113,952	3
PGSD-3/FS-1	60,719	73,039	1
VGSD-1/VFS-1/VBU-1/VIS	13,484	16,223	1
Industrial Nonspace Heating			
GSD-3/FS-1/BU-1/IS-1	263,485	351,826	1
GSD-2/FS-1/BU-1/IS-1	88,030	119,102	1

REVENUES FROM SALES OF GAS (CONT.)

Rate schedule (a)	Wisconsin Geographical Operations		
	Revenues (b)	Therms (c)	Customers (d)
Industrial Space Heating			
GSD-1/FS-1	205,611	239,063	37
VGSD-2/VBU-1/VIS-1	84,450	113,436	1
VGSD-1/VBU-1/VIS-1	63,349	76,052	2
VGSD-1/VFS-1	3,032	3,260	1
PGSD-1/FS-1	611	250	2
GSD-2/FS-1	562,848	711,383	10
PGSDa/FS-1	18,870	23,517	1
PGSD-3/BU-1/IS-1	695,455	1,024,845	2
GSD-3/FS-1	(1,087)	(2,441)	0
GSD-2/FS-1/BU-1/IS-1	74,525	95,905	1
GSD-3/BU-1/IS-1	323,076	451,807	2
GSD-3/FS-1/BU-1/IS-1	253,552	361,295	1
Other			
SD-1/BU-1/IS-1	1,115,257	1,529,867	31
VSD-1/VBU-1/VIS-1	25,291	31,219	2
CNG-1	3,516	4,419	5
PSD-1/BU-1/IS-1	15,977	18,096	5
Total Account 481	\$68,480,191	80,988,325	14,358
Sales for Resale (483)	0	0	0
Interdepartmental (484)			
Firm			
GSD-1/FS-1	\$167,547	204,783	1
GSD-2/FS-2	\$13,248	14,390	0
Interruptible			
IGD-1/IS-2	7,400,007	11,848,811	0
CNG-1	795	979	0
Total Account 484	\$7,581,597	12,068,963	1
Total Sales of Gas	\$174,273,330	184,898,080	131,532
Transportation (489)			
Commercial Nonspace Heating			
GSD-1/BU-1/DBS-1	\$5,222	15,699	2
GSD-2/BU-1/DBS-1	31,212	283,647	2
GSD-3/BU-1/DBS-1	100,366	1,156,519	3
Commercial Space Heating			
GSD-1/BU-1/DBS-1	31,065	129,458	7
GSD-2/BU-1/DBS-1	694,976	5,115,884	80
GSD-3/BU-1/DBS-1	860,170	10,459,358	24
GSD-2/FS-1/BU-1/DBS-1	4,187	31,503	1
VGSD-2/VBU-1/DBS-1	20,553	194,286	1
PGSD-2/BU-1/DBS-1	14,624	129,792	1

REVENUES FROM SALES OF GAS (CONT.)

Rate schedule (a)	Wisconsin Geographical Operations		
	Revenues (b)	Therms (c)	Customers (d)
Industrial Nonspace Heating PGSD-3/BU-1/DBS-1	\$112,614	1,375,280	3
Industrial Space Heating GSD-3/BU-1/DBS-1	569,994	7,526,505	12
Other			
SD-1/BU-1/DBS-1	26,471	334,971	1
IGD-1/BU-1/DBS-1	791,378	22,030,503	5
Total Account 489	\$3,262,832	48,783,405	142
Total Throughput	\$177,536,162	233,681,485	131,674
Forfeited Discounts (487)	\$358,339		
Miscellaneous Service Revenues (488)			
Miscellaneous	18,863		
Total Account 488	18,863		
Rent from Property (493)			
Land Rentals	17,174		
Miscellaneous	612		
Total Account 493	17,786		
Other Gas Revenues (495)			
Shared Savings Program	24,136		
Items Less Than \$25,000	33,463		
Total Account 495	57,599		
Penalty Revenues (497)	0		
Utility Incentive Revenues (498)	1,355,472		
Total Other Operating Revenues	\$1,808,059		
Total Wisconsin Operating Revenues	\$179,344,220		

GAS OPERATION AND MAINTENANCE EXPENSES (Cont.)

Particulars (a)	Total Amount (b)	Labor Expense (c)	Other Expense (d)
PURCHASED GAS EXPENSES			
Natural gas city gate purchases (804)	\$122,087,705	\$322,867	\$121,764,838
Other gas purchases (805)	0	0	0
Purchased gas expenses (807)	86,665	15,351	71,314
Gas withdrawn from stor.—Debit (808.1)	0	0	0
Gas delivered to stor.—Credit (808.2)	0	0	0
Gas used for other ut. op.—Cr. (812)	0	0	0
Other gas supply expenses (813)	63,843	83,402	(19,559)
Total purchased gas expenses	122,238,213	421,620	121,816,593
STORAGE EXPENSES NONE			
Operation supervision and eng. (840)			
Operation labor and expenses (841)			
Rents (842)			
Fuel (842.1)			
Power (842.2)			
Gas losses (842.3)			
Maint. supervision and eng. (843.1)			
Maint. of struct. & improv. (843.2)			
Maintenance of gas holders (843.3)			
Maint. of purification equip. (843.4)			
Maint. of liquefaction equip. (843.5)			
Maint. of vapor. equip. & other (843.6-843.9)			
Total storage expenses			
TRANSMISSION EXPENSES NONE			
Operation supervision and eng. (850)			
Sys. control & load dispatching (851)			
Communications system expenses (852)			
Compressor stat. labor & expen. (853)			
Gas for compressor station fuel (854)			
Other fuel & power for com. sta. (855)			
Mains expenses (856)			
Measuring & reg. stat. expenses (857)			
Trans. & comp. of gas by others (858)			
Other expenses (859)			
Rents (860)			
Maint. supervision & engineer. (861)			
Maint. of struct. & improv. (862)			
Maintenance of mains (863)			
Maint. of compr. stat. equip. (864)			
Maint. of meas. & reg. st. eq. (865)			
Maint. of communication equip. (866)			
Maintenance of other equipment (867)			
Total transmission expenses			
DISTRIBUTION EXPENSES			
Operation supervision & engin. (870)	472,482	472,482	0
Distribution load dispatching (871)	93,852	83,451	10,401
Compressor stat. labor & expen. (872)	0	0	0
Compressor station fuel & power (873)	0	0	0
Mains and services expenses (874)	950,200	757,409	192,791
Meas. & reg. stat. expen.—Gen. (875)	94,812	73,370	21,442
Meas. & reg. stat. expen.—Ind. (876)	28,840	23,454	5,386
Subtotal—dist. exp.—carried forward	\$1,640,186	\$1,410,166	\$230,020

GAS OPERATION AND MAINTENANCE EXPENSES (Cont.)

Particulars (a)	Total Amount (b)	Labor Expense (c)	Other Expense (d)	
dist. exp. (Amount brought forward)	\$1,640,186	\$1,410,166	\$230,020	
Meas. & reg. sta. ex.-City gate (877)	141,914	44,759	97,155	
Meter & house regulator expenses (878)	707,162	618,105	89,057	
Customer installations expenses (879)	371,999	536,064	(164,065)	
Other expenses (880)	1,975,857	1,127,144	848,713	
Rents (881)	28,936	0	28,936	
Maint. supervision & eng. (885)	199,484	199,484	0	
Maint. of struct. & improv. (886)	450	303	147	
Maintenance of mains (887)	518,721	272,442	246,279	
Maint. of compres. stat. equip. (888)	0	0	0	
Maint. of meas. & reg. st. eq.-Gen. (889)	135,548	66,629	68,919	
Maint. of meas. & reg. st. eq.-In. (890)	54,240	30,533	23,707	
Maint. of meas. & reg. st. eq.-City (891)	54,291	32,240	22,051	
Maintenance of services (892)	530,938	249,773	281,165	
Maint. of meters and house reg. (893)	367,389	277,724	89,665	
Maintenance of other equipment (894)	45,298	18,233	27,065	
Total distribution expenses	6,772,413	4,883,599	1,888,814	
CUSTOMER ACCOUNTS EXPENSES				
Supervision (901)	4,951	4,951	0	
Meter reading expenses (902)	327,186	260,526	66,660	
Customer records & collect. expenses (903)	3,056,812	2,096,051	960,761	
Uncollectible accounts (904)	929,971	0	929,971	
Misc. customer accounts expenses (905)	169,315	13,312	156,003	
Total customer accounts expenses	4,488,235	2,374,840	2,113,395	
CUSTOMER SERVICE EXPENSES				
Supervision (907)	(117,752)	(117,752)	0	
Customer assistance expenses (908)	2,960,343	1,910,532	1,049,811	
Informational advertising expenses (909)	783,266	21,836	761,430	
Misc. customer service/info. expenses (910)	279,169	88,139	191,030	
Total customer service expenses	3,905,026	1,902,755	2,002,271	
SALES PROMOTION EXPENSES				
Supervision (911)	0	0	0	
Demonstrating & selling expenses (912)	150,734	0	150,734	
Advertising expenses (913)	175,101	0	175,101	
Misc. sales expenses (916)	0	0	0	
Total sales promotion expenses	325,835	0	325,835	
ADMINISTRATIVE AND GENERAL EXPENSES				
Administrative and general salaries (920)	4,429,640	4,429,640	0	
Office supplies and expenses (921)	1,120,103	173,659	946,444	
Admin. expenses transferred-cr. (922)	0	0	0	
Outside services employed (923)	2,013,709	0	2,013,709	
Property insurance (924)	99,586	0	99,586	
Injuries and damages (925)	442,593	13,154	429,439	
Employee pensions and benefits (926)	5,221,753	305,620	4,916,133	
Regulatory commission expenses (928)	490,684	482,874	7,810	
Duplicate charges-cr. (929)	(75,422)	0	(75,422)	
Instit. or goodwill advert. (930.1)	10,283	0	10,283	
Misc. general expense (930.2)	977,078	51,204	925,874	
Rents (931)	396,908	0	396,908	
Maintenance of general plant (935)	323,770	38	323,732	
Total administ. & gen. expenses	15,450,685	5,456,189	9,994,496	
Total gas operat. & maint. expenses	\$153,254,051	\$15,039,003	\$138,215,048	

DETAIL OF NATURAL GAS CITY GATE PURCHASES, ACCOUNT 804

Particulars (a)	Total Amount (b)	Labor Expense (c)	Other Expense (d)
PURCHASED GAS EXPENSES			
Wages and Salaries (804.11)	\$322,867	\$322,867	\$0
Supplies and Expenses (804.12)	0	0	0
Miscellaneous Purchased Gas Expenses (804.13)	0	0	0
Gas Contract Reservation Fees (804.21)	177,625	0	177,625
Gas Contract Commodity Costs (804.22)	107,053,490	0	107,053,490
Spot Gas Commodity Costs (804.23)	3,343,757	0	3,343,757
Other Gas Purchases (804.24)	3,846,233	0	3,846,233
Gas Surcharges (804.25)	0	0	0
Financial Instruments Expenses (804.26)	-589,962	0	-589,962
Gas Purchase Miscellaneous Expenses (804.27)	-379,784	0	-379,784
Gas Costs for Opportunity Sales (804.28)	18,485,623		18,485,623
Purchased Gas Sold - Credit (804.32)	-19,740,250	0	-19,740,250
Gas Commodity Costs Transferred to Storage - Credit (804.33)	-29,242,545	0	-29,242,545
Gas Used in Utility Operations - Credit (804.34)	0	0	0
Gas Used for Trans. Pumping & Compression - Credit (804.35)	-2,447,620	0	-2,447,620
Total Purchased Gas Expenses	\$80,829,434	\$322,867	\$80,506,567
TRANSMISSION EXPENSES			
Transmission Contract Reservation Fees (804.41)	\$10,492,387	\$0	\$10,492,387
Commodity Transmission Fees (804.42)	756,628	0	756,628
Gas Transmission Surcharges (804.43)	202,574	0	202,574
Gas Transmission Fuel Expenses (804.44)	2,447,620	0	2,447,620
No-notice Service Expenses (804.45)	382,109	0	382,109
Other Transmission Fees and Expenses (804.46)	-149,990	0	-149,990
Miscellaneous Transmission Expenses (804.48)	1,301,604	0	1,301,604
Penalties, Unauthorized Use and Overrun, Utility (804.49)	0	0	0
Penalties, Unauthorized Use and Overrun, End-User (804.51)	0	0	0
Transmission Services Sold - Credit (804.52)	-1,824,394	0	-1,824,394
Gas Transmission Expenses Transferred to Storage - Credit (804.53)	-225,991	0	-225,991
Gas Trans. Expenses Used in Utility Operations - Credit (804.54)	0	0	0
Gas Transmission Costs for Opportunity Sales (804.55)	53,588	0	53,588
Total Transmission Expenses	\$13,436,135	\$0	\$13,436,135
STORAGE EXPENSES			
Storage Reservation Fees (804.61)	\$2,708,529	\$0	\$2,708,529
Stored Gas Costs for System Use (804.62)	25,385,765	0	25,385,765
Storage Penalties (804.63)	0	0	0
Stored Gas Costs for Opportunity Sales (804.64)	1,168,303	0	1,168,303
Storage Capacity Released or Sold - Credit (804.72)	-271,591	0	-271,591
Stored Gas Sold - Credit (804.73)	-1,168,870	0	-1,168,870
Total Storage Expenses	\$27,822,136	\$0	\$27,822,136
Total Expenses - Account 804	\$122,087,705	\$322,867	\$121,764,838
PSCW Form Revised 11-01			

Name of Respondent	This Report Is:	Date of Report	Year of Report
Madison Gas and Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	Dec. 31, 2004

GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106)

1. Report below the original cost of gas plant in service according to the prescribed accounts.
2. In addition to Account 101, Gas Plant in Service (Classified), this page and the next include Account 102, Gas Plant Purchased or Sold; Account 103, Experiment; Gas Plant Unclassified; and Account 106, Completed Construction Not Classified-Gas.
3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
5. Classify Account 106 according to prescribed account

on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions or prior year of unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d), including the reversals.

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	1. Intangible Plant		
2	301 Organization	\$310	\$0
3	302 Franchises and Consents	6,471	0
4	303 Miscellaneous Intangible Plant	0	0
5	TOTAL Intangible Plant	6,781	0
6	2. Manufactured Gas Production Plant		
7	304 Land and Land Rights	6,496	0
8	305 Structures and Improvements	18,363	0
9	306 Boiler Plant Equipment	0	0
10	307 Other Power Equipment	0	0
11	308 Coke Ovens	0	0
12	309 Producer Gas Equipment	0	0
13	310 Water Gas Generating Equipment	0	0
14	311 Liquefied Petroleum Gas Equipment	104,214	0
15	312 Oil Gas Generating Equipment	0	0
16	313 Generating Equipment - Other Processes	0	0
17	314 Coal, Coke and Ash Handling Equipment	0	0
18	315 Catalytic Cracking Equipment	0	0
19	316 Other Reforming Equipment	0	0
20	317 Purification Equipment	0	0
21	318 Residual Refining Equipment	0	0
22	319 Gas Mixing Equipment	0	0
23	320 Other Equipment	27,149	0
24	TOTAL Manufactured Gas Production Plant	\$156,222	\$0
25	Other Storage Plant		
26	360 Land and Land Rights		
27	361 Structures and Improvements		
28	362 Gas Holders		
29	363 Purification Equipment		
30	363.1 Liquefaction Equipment	None	
31	363.2 Vaporizing Equipment		
32	363.3 Compressor Equipment		
33	363.4 Meas. and Reg. Equipment		
34	363.5 Other Equipment		
35	TOTAL Other Storage Plant		

Name of Respondent	This Report Is:	Date of Report	Year of Report
Madison Gas and Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	Dec. 31, 2004

GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106)

of the prior years tentative account distribution of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in

column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date of such filing.

Retirements	Adjustments	Transfers	Balance at End of Year	Line No.
(d)	(e)	(f)	(g)	
\$0	\$0	\$0	\$310	1
0	0	0	6,471	2
0	0	0	0	3
0	0	0	6,781	4
0	0	0	0	5
0	0	0	0	6
0	0	0	6,496	7
0	0	0	18,363	8
0	0	0	0	9
0	0	0	0	10
0	0	0	0	11
0	0	0	0	12
0	0	0	0	13
0	0	0	104,214	14
0	0	0	0	15
0	0	0	0	16
0	0	0	0	17
0	0	0	0	18
0	0	0	0	19
0	0	0	0	20
0	0	0	0	21
0	0	0	0	22
0	0	0	27,149	23
\$0	\$0	\$0	\$156,222	24
				25
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Name of Respondent	This Report Is:	Date of Report	Year of Report
Madison Gas and Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	Dec. 31, 2004

GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
36	4. Transmission Plant		
37	365.1 Land and Land Rights		
38	365.2 Rights-of-Way		
39	366 Structures and Improvements		
40	367 Mains None		
41	368 Compressor Station Equipment		
42	369 Measuring and Reg. Sta. Equipment		
43	370 Communication Equipment		
44	371 Other Equipment		
45	TOTAL Transmission Plant		
46	5. Distribution Plant		
47	374 Land and Land Rights	\$194,126	\$0
48	375 Structures and Improvements	325,724	1,331
49	376 Mains	107,090,521	4,152,872
50	377 Compressor Station Equipment	0	0
51	378 Meas. and Reg. Sta. Equip.-General	3,143,727	0
52	379 Meas. and Reg. Sta. Equip.-City Gate	1,435,124	0
53	380 Services	54,331,490	2,178,413
54	381 Meters	35,718,537	1,421,160
55	382 Meter Installations	0	0
56	383 House Regulators	7,351,332	365,709
57	384 House Reg. Installations	0	0
58	385 Industrial Meas. and Reg. Sta. Equipment	1,253,498	0
59	386 Other Prop. on Customers' Premises	0	0
60	387 Other Equipment	32,767	0
61	TOTAL Distribution Plant	\$210,876,846	\$8,119,485
62	6. General Plant		
63	389 Land and Land Rights	\$37,806	\$0
64	390 Structures and Improvements	297,502	1,747
65	391 Office Furniture and Equipment	19,935	0
66	392 Transportation Equipment	244,202	0
67	393 Stores Equipment	0	0
68	394 Tools, Shop, and Garage Equipment	1,678,465	89,942
69	395 Laboratory Equipment	179,622	0
70	396 Power Operated Equipment	140,702	0
71	397 Communication Equipment	705,570	28,062
72	398 Miscellaneous Equipment	0	0
76	Subtotal	\$3,303,804	\$119,751
77	399 Other Tangible Property	0	0
78	TOTAL General Plant	\$3,303,804	\$119,751
79	TOTAL (Accounts 101 and 106)	\$214,343,653	\$8,239,236
80	Gas Plant Purchased (See Instr. 8)	0	0
81	(Less) Gas Plant Sold (See Instr. 8)	0	0
82	Experimental Gas Plant Unclassified	0	0
83	TOTAL Gas Plant in Service	\$214,343,653	\$8,239,236

GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				36
				37
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				44
\$0	\$0	\$0	\$194,126	45
0	0	0	327,055	
62,736	0	0	111,180,657	46
0	0	0	0	47
0	0	0	3,143,727	48
0	0	0	1,435,124	49
208,057	0	0	56,301,846	50
1,407,386	0	0	35,732,311	51
0	0	0	0	52
17,163	0	0	7,699,878	53
0	0	0	0	54
0	0	0	1,253,498	55
0	0	0	0	56
0	0	0	32,767	57
\$1,695,342	\$0	\$0	\$217,300,989	58
				59
				60
\$0	\$0	\$0	\$37,806	61
0	0	0	299,249	
0	0	0	19,935	62
0	0	0	244,202	
0	0	0	0	67
31,295	0	0	1,737,112	68
0	0	0	179,622	69
0	0	0	140,702	70
0	0	0	733,632	71
0	0	0	0	72
				73
\$31,295	\$0	\$0	\$3,392,260	74
0	0	0	0	75
				76
\$31,295	\$0	\$0	\$3,392,260	77
\$1,726,637	\$0	\$0	\$220,856,252	78
0	0	0	0	79
0	0	0	0	80
0	0	0	0	81
\$1,726,637	\$0	\$0	\$220,856,252	82
				83

ACCUM. PROVISION FOR DEPREC. OF GAS PLANT IN SERVICE (108)

Primary plant accounts (a)	Balance first of year (b)	S.L. Dpr. rate % used (c)	Accruals during year		Book cost of plant retired (f)
			Straight line amount (d)	Additional amount (e)	
PRODUCTION AND STORAGE ACCOUNTS (List each applicable account.)					
Structures and Improvements (305)	\$12,458	2.63	\$483	\$0	\$0
Liquified Petroleum Gas Equip. (311)	90,164	2.78	2,897	0	0
Other Production Equipment (320)	27,149	3.33	0	0	0
TRANSMISSION PLANT (None)					
Structures and improvements (366)					
Mains (367)					
Compressor station equipment (368)					
Measur. & reg. station equip. (369)					
Communication equipment (370)					
Other equipment (371)					
DISTRIBUTION PLANT					
Structures & improvements (375)	145,283	2.63	8,584	0	0
Mains (376)*	57,693,009	2.57	2,786,645	0	62,736
Compressor station equip. (377)	0	-	0	0	0
Meas. & reg. st. eq.-General (378)	1,671,244	3.83	120,405	0	0
Meas. & reg. st. eq.-City gate (379)	1,234,011	3.50	50,229	0	0
Services (380)	36,587,476	3.82	2,113,555	0	208,057
Meters (381)	13,804,139	5.00	1,815,262	0	1,407,386
Meter installations (382)	0	-	0	0	0
House regulators (383)	2,409,905	3.00	225,464	0	17,164
House reg. installations (384)	0	-	0	0	0
Ind. meas. & reg. sta. equip. (385)	832,198	4.00	50,140	0	0
Other prop. on cust. premises (386)	0	-	0	0	0
Other equipment (387)	32,767	5.56	0	0	0
GENERAL PLANT					
Structures & improvements (390)	50,594	2.22	6,663	0	0
Office furniture & equip. (391)	17,052	6.00	382	0	0
Transportation equipment (392)	111,338	(a)	46	0	0
Stores equipment (393)	0	-	0	0	0
Tools, shop & garage equip. (394)	816,518	5.00	85,221	0	31,295
Laboratory equipment (395)	147,630	5.56	9,987	0	0
Power-operated equipment (396)	88,856	(a)	420	0	0
Communication equipment (397)	197,470	7.69	48,333	0	0
Miscellaneous equipment (398)	0	-	0	0	0
Retirement Work in Progress	(152,877)	-	0	0	0
Pre-1990 cont. in aid of construction	1,210,981	-	0	0	0
Total	\$117,027,365		\$7,324,716	\$0	\$1,726,638

*See Copy 2, pages G-12 and G-13.

ACCUM. PROVISION FOR DEPREC. OF GAS PLANT IN SERVICE (cont.)

Cost of removal (g)	Salvage (h)	Other additions (deductions) (i)	Balance end of year (j)	(k)	(l)
				Total deprec. expense (cols. (d) and (e))	\$7,324,716
\$0	\$0	\$0	\$12,941	Less amounts charged to clearing accounts	0
0	0	0	93,061	Less amortization of pre-1990 cont. in aid of construction	491,076
0	0	0	27,149	Plus allocation of depr. on common plant	557,457
				Total gas depr. expense	\$7,391,097
				Total balance (col (j))	\$121,871,272
				Plus alloc. of reserve on common plant	9,681,687
				Total deprec. reserve for gas utility	\$131,552,959
				Explanation of items in Column (i):	
0	0	0	153,867	(1) Retirement work in progress	
16,838	0	0	60,400,080	change	(\$120,189)
0	0	0	0	(2) Amortization of pre-1990	
0	0	0	1,791,649	contributions in aid of	
0	0	0	1,284,240	construction	(491,076)
145,090	1,956	0	38,349,840		
0	31,601	0	14,243,616		
0	0	0	0		(\$611,265)
17,023	1,488	0	2,602,670		
0	0	0	0		
0	0	0	882,338		
0	0	0	0		
0	0	0	32,767	Explanation of items in Column (c):	
0	0	0	57,257	a. No depreciation rate is certified	
0	0	0	17,434	for transportation and power-operated	
0	0	0	111,384	equipment, which are depreciated	
0	0	0	0	on a unit basis.	
0	1,000	0	871,444		
0	0	0	157,617		
0	0	0	89,276		
0	0	0	245,803		
0	0	0	0		
0	0	(1)	(273,066)		
0	0	(2)	719,905		
\$178,951	\$36,045	(\$611,265)	\$121,871,272		

ACCUM. PROVISION FOR DEPREC. OF GAS PLANT IN SERVICE (108)

Primary plant accounts (a)	Balance first of year (b)	S.L. Dpr. rate % used (c)	Accruals during year		Book cost of plant retired (f)
			Straight line amount (d)	Additional amount (e)	
PRODUCTION AND STORAGE ACCOUNTS (List each applicable account.)					
MAINS (376)					
Steel Gas Mains (376.202)	\$40,574,418	2.57	\$1,452,958	\$0	\$45,710
Plastic Gas Mains (376.203)	17,118,591	2.57	1,333,687	0	17,026
Totals	\$57,693,009		\$2,786,645	\$0	\$62,736

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ACCUM. PROVISION FOR DEPREC. OF GAS PLANT IN SERVICE (cont.)

Cost of removal (g)	Salvage (h)	Other additions (deductions) (i)	Balance end of year (j)	(k)	(l)
\$13,457	\$0	\$0	\$41,968,209		
3,381	0	0	18,431,871		
\$16,838	\$0	\$0	\$60,400,080		

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GAS PRODUCTION STATISTICS

Location of plant (a)	Type of plant (b)	Maximum daily capacity Therms (c)	Therms produced during year (d)	Total investment end of year (e)
Prairie du Chien, Wisconsin	Liquefied Petroleum Gas	7,200	0	\$26,264
TOTAL		7,200	0	\$26,264

GAS HOLDERS - NONE

Location (a)	Telescopic & piston holders		Pressure holders		
	Number (b)	Capacity Therms (c)	Number (d)	Capacity at atmospheric pressure (e)	Design pressure (f)

LIQUID PETROLEUM GAS STORAGE - NONE

Report hereunder number of liquid petroleum gas storage tanks and total capacity in gallons by location.

Prairie du Chien
2 - 30,000-gallon tanks
55,200-gallon maximum

SUMMARY OF GAS ACCOUNT

Report below the specified information for each operating area constituting a separate gas system.

Particulars (a)	Total all systems therms (b)**	System therms (c)	System therms (d)
System Name	Only one system		
Gas produced (gross):			
Propane - air	0		
Other gas	-	**All therms are reported dry.	
Total gas produced	0		
Gas purchased:			
Natural	184,515,700		
Other gas	-		
Total gas purchased	184,515,700		
Add: Gas withdrawn from storage	50,362,910		
Less: Gas delivered to storage	49,669,860		
Total (lines 14 + 18 + 19 - 20)	185,208,750		
Transport gas received	48,783,405		
Total gas del. to mains (lines 21 + 22)	233,992,155		
Gas sold (incl. interdepartmental)	184,898,080		
Gas used by utility	110,522		
Transport gas delivered	48,783,405		
Total (lines 24 + 25 + 26)	233,792,007		
Gas unaccounted for (lines 23 - 27)	200,148		

SUMMARY OF SYSTEM LOAD STATISTICS

Report below the data specified for each operating area constituting a separate gas system.

Particulars (a)	Total all systems therms (b)**	System therms (c)	System therms (d)
System Name	Only one system		
Maximum send-out in any one day	2,145,550		
Date of such maximum	01/29/04		
Maximum daily capacity:			
Total manufactured-gas production capacity	7,200		
Liquefied natural gas storage capacity	0		
Maximum daily purchase capacity *	2,072,580	*MGE has firm storage contracts for 86,078 DTH, firm transportation contracts for 121,180 DTH and no contracted peaking service.	
Total maximum daily capacity: production liquefied natural gas storage, and purchases	2,079,780		
Monthly send-out:			
January	44,928,623		
February	32,338,447		
March	25,145,360		
April	16,196,205		
May	10,463,488		
June	8,435,150		
July	8,714,742		
August	8,579,868		
September	8,057,699		
October	13,925,326		
November	21,564,602		
December	35,442,497		
Total send-out	233,792,007		

PURCHASED GAS

Report below the specified information for each point of metering.

Particulars (a)	Total (b)	(c)	(d)
Name of vendor Point of metering - see page G-19 Type of gas purchased - Natural Therms of gas purchased per pipeline rate schedules: ANR ETS-1, ANR FTS-1, ANR ITS-1, ANR FSS, NNG TF, AND NNG TI Total cost of gas purchased Average cost per therm of gas purchased per pipeline rate schedules: Maximum therms purchased in any one day Date of such maximum purchase (da/mo/yr) Average B.t.u. content per cu. ft. of gas	185,208,750 \$122,496,948 \$0.6614		
Name of vendor Point of metering - see page G-19 Type of gas purchased - all natural Therms of gas purchased per pipeline rate schedules: ANR ETS-1, ANR FTS-1, ANR ITS-1, ANR FSS, NNG TF, AND NNG TI Total cost of gas purchased Average cost per therm of gas purchased per pipeline rate schedules: Maximum therms purchased in any one day Date of such maximum purchase (da/mo/yr) Average B.t.u. content per cu. ft. of gas	SUPPLIER "BH" 5,405,930 \$3,393,186 \$0.6277 313,190 15/02/04 1.007	SUPPLIER "SQ" 15,496,030 \$9,313,942 \$0.6011 138,850 07/02/04 1.002	SUPPLIER "MD" 179,010 \$99,163 \$0.5540 104,750 01/03/04 1
Name of vendor Point of metering - see page G-19 Type of gas purchased - all natural Therms of gas purchased per pipeline rate schedules: ANR ETS-1, ANR FTS-1, ANR ITS-1, ANR FSS, NNG TF, AND NNG TI Total cost of gas purchased Average cost per therm of gas purchased per pipeline rate schedules: Maximum therms purchased in any one day Date of such maximum purchase (da/mo/yr) Average B.t.u. content per cu. ft. of gas	System Transport \$6,368,443	System Transport \$5,561,852	SUPPLIER "PV" 9,631,580 \$5,892,607 \$0.6118 390,000 15/01/04 1.009

PURCHASED GAS

Report below the specified information for each point of metering.

(e)	(f)	(g)	(h)	(i)	(j)
SUPPLIER "AZ"	SUPPLIER "MA"	SUPPLIER "MJ"	SUPPLIER "CH"	SUPPLIER "AN"	SUPPLIER "MC"
3,635,730	0	4,399,010	7,036,170	19,159,330	3,437,730
\$2,095,208	(\$147)	\$3,044,567	\$4,469,362	\$11,718,758	\$2,249,173
\$0.5763		\$0.6921	\$0.6352	\$0.6116	\$0.6543
88,170		54,470	117,050	188,280	55,280
28/01/04		01/06/04	17/01/04	30/01/04	01/06/04
1.009		0.998	1.009	1.003	0.988
SUPPLIER "HH"	SUPPLIER "HI"	SUPPLIER "DG"	SUPPLIER "MH"	SUPPLIER "KD"	SUPPLIER "HK"
45,450	4,513,880	6,407,150	2,078,120	0	20,656,610
\$35,814	\$2,684,835	\$3,717,850	\$1,160,129	(\$589,962)	\$12,420,708
\$0.7880	\$0.5948	\$0.5803	\$0.5583		\$0.6013
	78,960	148,170	59,270		174,750
	01/04/04	01/02/04	01/03/04		16/11/04
	0.993	1.007	1.002		0.999
SUPPLIER "MB"	SUPPLIER "KF"	Notes:			
5,398,420	(57,210)	Deliveries were made to the five gate stations of Madison Gas and Electric Company:			
\$3,683,266	(\$35,479)	(1) Madison Gate, Femrite Drive, City of Monona			
\$0.6823	\$0.6202	(2) North Gate, Sec. 36, Town of Burke			
		(3) Windsor Gate, Sec. 36, Town of Leeds			
		(4) South Gate, Sec. 17, Seminole Highway and Lacy Road,			
		City of Fitchburg.			
		(5) Madison Town Border Station, Sec. 17, Seminole Highway and Lacy Road,			
		City of Fitchburg.			
		Deliveries were also made to the Gate Stations at Elroy Gas Company and			
		Viroqua Gas Company and the Gate Station that services the Crawford			
		County area, including Prairie Du Chien.			
		All therm quantities are reported dry.			
149,340	(80,000)				
22/07/04	20/07/04				
1	0.99				

PURCHASED GAS

Report below the specified information for each point of metering.

(k)	(l)	(m)	(n)	(o)	(p)
SUPPLIER "MG"	SUPPLIER "MK"	SUPPLIER "TC"	SUPPLIER "CR"	SUPPLIER "ZZ"	SUPPLIER "ME"
6,485,970	2,152,850	519,460		50,362,910	9,185,190
\$4,011,095	\$1,718,547	\$256,769	(\$2,012,939)	\$30,077,126	\$5,011,853
\$0.6184	\$0.7983	\$0.4943		\$0.5972	\$0.5456
139,350	49,350				57,090
16/07/04	01/11/04				11/05/04
1	1.007				1.006
SUPPLIER "DA"	SUPPLIER "LC"	SUPPLIER "MI"	SUPPLIER "LB"		
3,297,710	5,710,630	121,450	(50,360)		
\$1,903,455	\$4,148,593	\$125,203	(\$26,029)		
\$0.5772	\$0.7265	\$1.0309	\$0.5169		
95,120	163,010	117,020	52,360		
01/05/04	01/12/04	13/10/04	01/05/04		
0.999	1.002	0.998	0.99		
		Notes:			
		Deliveries were made to the five gate stations of Madison Gas and Electric Company:			
		(1) Madison Gate, Femrite Drive, City of Monona			
		(2) North Gate, Sec. 36, Town of Burke			
		(3) Windsor Gate, Sec. 36, Town of Leeds			
		(4) South Gate, Sec. 17, Seminole Highway and Lacy Road,			
		City of Fitchburg.			
		(5) Madison Town Border Station, Sec. 17, Seminole Highway and Lacy Road,			
		City of Fitchburg.			
		Deliveries were also made to the Gate Stations at Elroy Gas Company and			
		Viroqua Gas Company and the Gate Station that services the Crawford			
		County area, including Prairie Du Chien.			
		All therm quantities are reported dry.			

GAS MAINS CLASSIFIED BY TYPES AND SIZES

Classification (a)	Wisconsin		Other		Total	
	No. of feet beg. of year (b)	No. of feet end of year (c)	No. of feet beg. of year (d)	No. of feet end of year (e)	No. of feet beg. of year (f)	No. of feet end of year (g)
Cast Iron:						
Inches						
Inches						
Inches	None	None		All in Wisconsin		
Inches						
Inches						
Inches						
Inches						
Inches						
Total						
Steel:						
3/4 Inch	562	562				
1 Inch	21,410	21,410				
1 1/4 Inches	53,799	53,799				
1 1/2 Inches	33,589	34,804				
2 Inches	2,625,917	2,625,648				
3 Inches	35,940	35,940				
4 Inches	1,646,307	1,646,724				
6 Inches	792,365	791,888				
8 Inches	360,038	360,113				
10 Inches	33	33				
12 Inches	280,760	280,831				
16 Inches	15,646	15,646				
Total	5,866,366	5,867,398				
Plastic:						
3/4 Inch	15,362	15,871				
1 Inches	20,793	25,090				
1 1/4 Inches	21,425	21,425				
2 Inches	3,657,090	3,824,038				
3 Inches	9,226	9,226				
4 Inches	1,923,451	1,973,559				
6 Inches	280,704	284,699				
8 Inches	256	256				
Total	5,928,307	6,154,164				
Other (specify):						
Inches						
Inches						
Inches						
Inches	None	None				
Inches						
Inches						
Inches						
Inches						
Total						
Grand Total	11,794,673	12,021,562				

Number of services should include only those owned by utility.

GAS SERVICES (LOCATED OUTSIDE WISCONSIN) - NONE

Number of services should include only those owned by utility.

Have inactive services been retired in accordance with requirements of paragraph C of Account 380 of Uniform System of Accounts? Yes

Have inactive services been disconnected from the gas supply in accordance with section 192.727(g) of the Wisconsin Administrative Code? Yes

GAS METERS

Number of meters should include only those carried in Utility Plant Account 381.

Particulars (a)	Number end of year (b)
Diaphragm meters (capacity at 1/2-inch water column pressure drop):	
2,400 cu. ft. per hour or less	135,356
Over 2,400 cu. ft. per hour	178
Rotary meters	601
Turbine meters	15
Total end of year	136,150
In stock	2,308
Locked meters on customers' premises	493
Regular meters in customers' use	133,309
Prepayment meters in customers' use	0
Meters in company use, included in Account 381	40
Total end of year (as above)	136,150
No. of diaphragm meters at end of year which compensate for temperature:	135,534
Number of house regulators installed at end of year	101,663

Attach to this sheet a map or maps of the territory served, showing location & company designation of points of purchase, production plants, large compressor stations and transmission lines. Show also the names of larger communities served and the boundaries of the utility's operating divisions.

**Hirschman-Herfindahl Index Form**

Public Service Commission of Wisconsin

P. O. Box 7854

Madison, WI 53707-7854

Utility No. 3270

Year Ended December 31, 2004

Page G-23

5003 (3-11-99)
page 2

	Class	Schedules	HHI	Is the Utility the Provider With the Largest Market Share?
1.	Residential	RD-1, RD-2	10,000	Yes
2.	Small Commerical and Industrial	GSD-1	9,968	Yes
3.	Medium Commerical and Industrial	GSD-2	6,740	Yes
4.	Large Commercial and Industrial	GSD-3	2,384	No
5.	Seasonal Off-Peak	SD-1	7,136	Yes
6.	Interruptible Generation	IGD-1	3,683	No
7.	Compressed Natural Gas	CNG-1	10,000	Yes
8.				
9.				
10.				
11.				
12.				
13.				
14.				

Add additional rows as necessary.

GAS STORED (ACCOUNTS 117, 164.1, 164.2, and 164.3)

<p>1. If during the year, adjustment was made to the stored gas inventory (such as to correct cumulative inaccuracies of gas measurements), furnish in a footnote an explanation of the reason for the adjustment, the MCF and dollar amount of adjustment, and account charged or credited.</p> <p>2. Give in a footnote, a concise statement of the facts and the accounting performed with respect to any encroachment of withdrawals during the year, or restoration of previous encroachment, upon native gas constituting the "gas cushion" of any storage reservoir.</p> <p>3. If the company uses a "base stock" in connection with its inventory accounting, give a concise statement of the basis of establishing such "base stock" and the inventory basis and the accounting performed with respect to any encroachment of withdrawals upon "base stock," or restoration of previous encroachment, including brief particulars of any such accounting during the year.</p>		<p>4. If the company has provided accumulated provision for stored gas, which may not eventually be fully recovered from any storage project, furnish a statement showing: (a) date of FERC authorization of such accumulated provision, (b) explanation of circumstances requiring such provision, (c) basis of provision and factors of calculation, (d) estimated ultimate accumulated provision accumulation, and (e) a summary showing balance of accumulated provision and entries during the year.</p> <p>5. Report pressure base of gas volumes as 14.73 psia at 60 Degrees F. (See Note 1)</p>				
Line No.	Description (a)	Noncurrent (Account 117) (b)	Current (Account 164.1) (c)	LNG (Account 164.2) (d)	LNG (Account 164.3) (e)	Total (f)
1	Balance at Beginning of Year	.	\$18,598,378	.	.	\$18,598,378
2	Gas Delivered to Storage	.	\$31,900,679	.	.	\$31,900,679
3	Gas Withdrawn from Storage (contra Account)	.	(\$28,786,700)	.	.	(\$28,786,700)
4	Other Debits or Credits (Net)	.	\$0	.	.	\$0
5	Balance at End of Year	.	\$21,712,357	.	.	\$21,712,357
6	Therms	.	3,812,844	.	.	3,812,844
7	Amount Per Therm	.	\$5.6945	.	.	\$5.6945
8						

DETAIL OF STORED GAS ACCOUNT, ACCOUNT 164.1

The instructions for page 220 also apply to this schedule. Subaccounts shown below conform with the changes to the Uniform System of Accounts adopted by the Public Service Commission in docket 05-US-112, order issued January 17, 2001. Column (i) the sum of the dollar amounts in the subaccounts and should agree with the amounts reported for Account 164.1 on page 220.

Line No.	Description (a)	Commodity Storage Fees Account 164.11 (b)	Commodity Injection Fees Account 164.12 (c)	Other Storage Fees Account 164.14 (d)	Stored Gas Withdrawn or Forfeited - Credit Account 164.16 (e)
1	Balance at Beginning of Year	\$2,098	\$51,151	\$0	\$0
2	Gas Delivered to Storage	\$563	\$79,877		
3	Gas Withdrawn from Storage	(\$2,425)	(\$72,889)	\$0	
4	Other Debits or Credits (Net)	\$0	\$0		\$0
5	Balance at End of Year	\$237	\$58,139	\$0	\$0
6	Therms	36,885,000	36,885,000		
7	Amount Per Therm	\$0.0000	\$0.0016		

Line No.	Description (f)	Gas Commodity Costs Transferred to Storage - Debit Account 164.33 (g)	Gas Transmission Expense Transferred to Storage - Debit Account 164.53 (h)	Total Account 164.1 (i)
8	Balance at Beginning of Year	\$18,447,881	\$97,248	\$18,598,378
9	Gas Delivered to Storage	\$31,610,836	\$209,402	\$31,900,679
10	Gas Withdrawn from Storage	(\$28,543,945)	(\$167,441)	(\$28,786,700)
11	Other Debits or Credits (Net)	\$0	\$0	\$0
12	Balance at End of Year	\$21,514,772	\$139,209	\$21,712,357
13	Therms	36,885,000	36,885,000	3,812,844
14	Amount Per Therm	\$0.5833	\$0.0038	\$5.6945

Notes:

Name of Respondent Madison Gas and Electric Company	This Report Is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, <u>2004</u>
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SECURITY HOLDERS AND VOTING POWERS

1. Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year had the highest voting powers in the respondent, and state the number of votes which each would have had the right to cast on that date if a meeting were then in order. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.) duration of trust, and principal holders of beneficiary interests in the trust. If the stock book was not closed or a list of stockholders was not compiled within one year prior to the end of the year, or if since the previous compilation of a List of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.

2. If any security other than stock carries voting rights, explain in a footnote the circumstances whereby such security became vested with voting rights give other important particulars (details) concerning voting rights of such security. State whether voting right are actual or contingent; if contingent, describe the contingency.

3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method explain briefly in a footnote.

4. Furnish particulars (details) concerning any options warrants, or rights outstanding at the end of the year others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or right the amount of such securities or assets so entitled to purchased by any officer, director, associated company, or of the ten largest security holders. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the public where the options, warrants, or rights were issued prorata basis.

1. Give the date of the latest closing of the stock book prior to end of year, and state the purpose of such closing: Payment of dividends on common stock on June 15, 2002, to shareholders of record at close of business on June 1, 2002.	2. State the total number of votes cast at the latest general meeting prior to end of year for election of directors of the respondent and number of such votes cast by proxy Total: 13,210,121 By Proxy: 13,199,526	3. Give the date and place of such meeting May 14, 2002 Marriott Madison West 1313 John Q Hammons Drive Middleton, Wisconsin 53562
---	--	--

Line No.	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES Number of Votes as of (date): December 31, 2002			
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
4	TOTAL votes of all voting securities	17,347,889	17,347,889		
5	TOTAL number of security holders	1	1		
6	TOTAL votes of security holders listed below	17,347,889	17,347,889		
7	MGE Energy Inc. (see Page 106.1)				
8	133 South Blair Street				
9	Madison, Wisconsin 53701				
10					
11					
12	Instruction No. 2 - None				
13					
14	Instruction No. 3 - None				
15					
16	Instruction No. 4 - None				
17					
18					

Schedule Page 106 Line No.: 7 Column: a

Madison Gas and Electric Company (MGE) is a wholly owned subsidiary of MGE Energy, Inc., (MGE Energy). All information on Lines 1, 2, and 3 of this page pertain to MGE common stock. Outstanding shares of MGE Energy common stock at December 31, 2004, total 20,389,619.

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 2004	Year of Report Dec. 31, 2004
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CONSTRUCTION OVERHEADS - ELECTRIC

1. List in column (a) to kinds of overheads according to the titles used by the respondent. Charges for outside professional services for engineering fees and management or supervision fees capitalized should be shown as separate items. 2. On Page 218 furnish information concerning construction overheads. 3. A respondent should not report "none" to the page if no overhead apportionments are made, but rather should explain on Page 218 the accounting procedures, employed and the amounts of engineering, supervision and administrative costs, etc. which are directly charged to construction. 4. Enter on this page engineering, supervision, administrative, and allowance for funds used during construction, etc., which are first assigned to a blanket work order and then prorated to construction jobs.

Line No.	Description of overhead (a)	Total amount charged for the year (b)
1	Company Engineering and Supervision	4,389,920
2	Administrative and General	936,053
3	Allowance for Funds Used During Construction	422,531
4	Payroll Taxes and Employee Pensions and Benefits	2,211,269
5		
6		
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45		
46	TOTAL	7,959,773

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2004
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GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

- For each construction overhead explain: (a) the nature and extent of work, etc. the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.
- Show below the computation of allowance for funds used during construction rates, in accordance with the provisions of Electric Plant instructions 3(17) of the U.S. of A.
- Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects.

See Page 218.1

COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES

For line 1(5), column (d) below, enter the rate granted in the last rate proceeding. If such is not available, use the average rate earned during the preceding three years.

1. Components of Formula (Derived from actual book balances and actual cost rates):

Line No.	Title (a)	Amount (b)	Capitalization (c)	Cost Rate Percentage (d)
1	Average Short-Term Debt & Computation of Allowance text	S 6,526,000		
2	Short-term Interest			s 1.79
3	Long-Term Debt	D 172,257,466		d 5.25
4	Preferred Stock	P		p
5	Common Equity	C 284,605,663		c 12.00
6	Total Capitalization	463,389,129		
7	Average Construction Work in Progress Balance	W 35,464,352		

2. Gross Rate for Borrowed Funds $s(\frac{S}{W}) + d(\frac{D}{D+P+C}) - \frac{S}{W}$ 1.94

3. Rate for Other Funds $11 - \frac{S}{W} 1p(\frac{P}{D+P+C}) + c(\frac{C}{D+P+C}$ 6.10

4. Weighted Average Rate Actually Used for the Year:

- Rate for Borrowed Funds - 2.76
- Rate for Other Funds - 6.97

The amount of construction overheads is determined under the general rule that only costs which may be reasonably deemed to have been incurred because of construction are included as a part of construction costs.

In classifying salaries and wages between direct and overhead costs, the pay of construction employees up to and including the direct field supervision (usually done by foreman) is considered as direct labor, and the pay of engineering, accounting, and administrative officers, whether in the field or in the office, is classified as construction overhead.

ENGINEERING AND SUPERVISION*

This account includes the pay and expenses of engineers, surveyors, draftsmen, inspectors, superintendents, and their assistants applicable to construction work. Distribution to construction accounts for wages and salaries is based on a percentage of construction costs; for material and expenses, the distribution is based on a percentage of construction costs.

ENGINEERING SERVICES*

This account includes amounts paid to other companies, firms, or individuals engaged by the utility to plan, design, prepare estimates, supervise, inspect, or give advice or assistance in connection with construction work.

Distribution to construction accounts is made on the basis of actual costs assigned to each construction project as indicated by the company, firm, or individual engaged; and on the basis of a percentage of construction costs for each project.

GENERAL ADMINISTRATION*

This account includes pay and expenses of general administrative employees, general office salaries and expenses, and other items of general nature applicable to construction activities. Distribution to construction accounts is made on a percentage of construction costs.

ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION*

Pursuant to an order of the Public Service Commission of Wisconsin (PSCW), the Company capitalizes an allowance for funds used during construction (AFUDC) at a rate which approximates the cost of capital applicable to utility operations. PSCW Docket 3270-UR-112 determined that AFUDC be computed at a rate of 9.73 percent on 50 percent of Construction Work in Progress beginning January 14, 2004.

*See page 217, column (b) for amounts capitalized.

Name of Respondent Madison Gas and Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2004
--	--	--------------------------------	---------------------------------

NONUTILITY PROPERTY (Account 121)

1. Give a brief description and state the location of Nonutility property included in Account 121.
2. Designate with a double asterisk any property which is Leased to another company. State name of Lessee and whether Lessee is an associated company.
3. Furnish particulars (details) concerning sales, purchases, or transfers of Nonutility Property during the year.
4. List separately all property previously devoted to public service and give date of transfer to Account 121, Nonutility Property.
5. Minor Items (5% of the Balance at the End of the Year), for Account 121 or \$1 00,000. whichever is Less) may be-grouped by (1) previously devoted to public service (Line 44), or (2) other Nonutility property (Line 45).

Line No.	Description and Location (a)	Balance of Beginning of Year (b)	Purchases, Sales, Transfers, etc. (c)	Balance at End of Year (d)
1	Lake water monitoring site	123,375		123,375
2	City of Madison, Dane County			
3				
4	Farm land and buildings	93,287	(1) (31,755)	61,532
5	Town of Vienna, Dane County			
6				
7	Farm land and buildings	97,132		97,132
8	Town of Middleton, Dane County			
9				
10	Land	244,802	(2) 3,612	248,414
11	City of Madison, Dane County			
12				
13	Land	226,652		226,652
14	City of Madison, Dane County			
15				
16	Equipment for lease program	401,556		401,556
17	Various lessees - none are associated companies			
18				
19				
20				
21				
22				
23	(1) Sale of property			
24				
25	(2) Parking lot improvements			
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45	Minor items - other nonutility property	107,879	4,630	112,509
46	TOTAL	1,294,683	(23,513)	1,271,170

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, <u>2004</u>
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**CAPITAL STOCK SUBSCRIBED, CAPITAL STOCK LIABILITY FOR CONVERSION PREMIUM ON CAPITAL AND
INSTALLMENTS RECEIVED ON CAPITAL STOCK (Accounts 202 and 205, 203 and 206, 207, 212)**

1. Show for each of the above accounts the amounts applying to each class and series of capital stock.
2. For Account 202, Common stock Subscribed, and Account 205, Preferred Stock Subscribed, show the subscription price and the balance due on each class at the end of year.
3. Describe in a footnote the agreement and transactions under which a conversion liability existed under Account 203, Common Stock Liability for Conversion, or Account 206, Preferred Stock Liability for Conversion, at the end of the year.
4. For Premium on Account 207, Capital Stock, designate with a double asterisk any amounts representing the excess of consideration received over stated values of stocks without par value.

Line No.	Name of Account and Description of Item (a)	Number of shares (b)	Amount (c)
1	Premium on Capital Stock (207) -		
2	Premium on Common Stock	1,268,171	27,723,819
3			
4			
5			
6			
7			
8			
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10			
11			
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14			
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38			
39			
40			
41			
42			
43			
44			
45			
46	TOTAL	1,268,171	27,723,819

Name of Respondent	This Report Is-		Date of Report (Mo. Da. Yr)	Year of Report
Madison Gas and Electric Company	(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission		Dec. 31, 2004
NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES				
<p>1. The data on number of employees should be reported construction employees in a footnote. for the payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.</p> <p>2. If the respondents payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special</p> <p>3. The number of employees assignable to the electric department from joint functions of combination utilities may be determined by estimate, on the basis of employee equi- valents. Show the estimated number of equivalent employees attributed to the electric department from joint functions.</p>				
1. Payroll Period Ended (Date)		12/31/2004		
2. Total Regular Full-Time Employees		464		
3. Total Part-Time and Temporary Employees		18		
4. Total Employees		482		

Name of Respondent Madison Gas and Electric Company		This Report Is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2004
PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS				
Report the information specified below, in the order given, for the respective income deduction and interest charges account. Provide a subheading for each account and a total for the account. Additional columns may be added if deemed appropriate with respect to any account.				
(a) Miscellaneous Amortization (Account 425): Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.				
(b) Miscellaneous Income Deductions: Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than 5% of each account total for the year (or \$1,000, whichever is greater) may be grouped by classes within the above accounts.				
(c) Interest on Debt to Associated Companies (Account 430) – For each associated company to which interest on debt was incurred during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.				
(d) Other Interest Expense (Account 431) – Report particulars (details) including the amount and interest rate for other interest charges incurred during the year				
Line No.	Item (a)	Amount (b)		
1	MISCELLANEOUS AMORTIZATION (425): - None			
2				
3	DONATIONS (426.1):			
4	MGE Foundation	1,500,000		
5	Other donations	327,493		
6	DMI Community Partners	225,947		
7	Madison Area Growth Network	144,695		
8	Subtotal - 426.1	2,198,135		
9				
10	LIFE INSURANCE (426.2):			
11	Renewal Premiums	71,406		
12	Subtotal- 426.2	71,406		
13	PENALTIES (426.3)	200		
14	Subtotal - 426.3	200		
15				
16	EXPENDITURES FOR CERTAIN CIVIC, POLITICAL & RELATED ACTIVITIES (426.4):			
17	Memberships	32,800		
18	Legal and professional services	86,330		
19	Contribution	550		
20	Subtotal - 426.4	119,680		
21				
22	OTHER DEDUCTIONS (426.5):			
23	Amortization of certain costs relative to the MGE Innovation Center	53,333		
24	Heating Degree Day Hedge	132,177		
25	Miscellaneous	(38)		
26	Legal and professional services	(43,000)		
27	Subtotal - 426.5	142,472		
28				
29	Total	2,531,893		
30				
31	INTEREST ON DEBT TO ASSOC. Companies (430): None			
32	Other Interest Expense (431):			
33	Commercial Paper (1.12% - 2.42%)	123,471		
34	Interest on tax adjustments (7% - 12%)	47,688		
35	Interest expense - deferred compensation reserve	72,807		
36	Interest on customer deposits	6,965		
37	Interest expense - trans. refund obligation	41,979		
38	Interest for construction	(31,698)		
39	Other - various	11,162		
40	Total - 431	272,374		
41				

Name of Respondent Madison Gas and Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2004
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ELECTRIC DISTRIBUTION METERS AND LINE TRANSFORMERS

- Report below the information called for concerning distribution watt-hour meters and line transformers.
- Include watt-hour demand distribution meters, but not external demand meters.
- Show in a footnote the number of distribution watt-hour meters or line transformers held by the respondent under lease from others, jointly owned with others, or held otherwise than by reason of sole ownership by the respondent. If 500 or more meters or line transformers are held under a lease, give name of lessor, date and period of lease, and annual rent. If 500 or more meters or line transformers are held other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of accounting for expenses between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Line No.	Item (a)	Number of Watt-hour Meters (b)	LINE TRANSFORMERS	
			Number (c)	Total capacity (in MVA) (d)
1	Number at Beginning of Year	143,576	21,652	1,719
2	Additions During Year			
3	Purchases	2,885	579	64
4	Associated with Utility Plant Acquired			
5	TOTAL Additions (Enter Total of lines 3 and 4)	2,885	579	64
6	Reductions During Year			
7	Retirements	6,024	523	27
8	Associated with Utility Plant Sold			
9	TOTAL Reductions (Enter Total of lines 7 and 8)	6,024	523	27
10	Number at End of Year (Lines 1 + 5 - 9)	140,437	21,708	1,756
11	In Stock	6,431	1,809	204
12	Locked Meters on Customers' Premises	574		
13	Inactive Transformers on System			
14	In Customers' Use	133,346	19,844	1,549
15	In Company's Use	86	55	3
16	TOTAL End of Year (Total 11 to 15. This should equal line 10)	140,437	21,708	1,756